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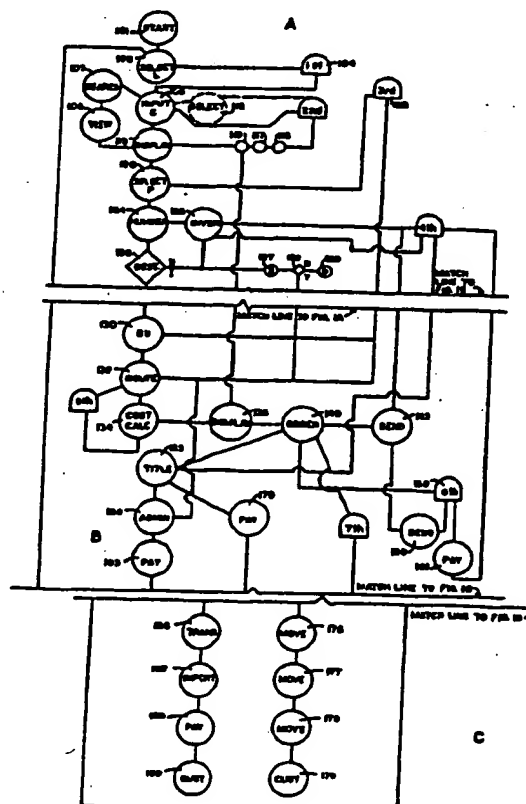
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(57) Abstract

An international transaction system for operation over the internet/intranet provides a pre-transactional calculation of all charges involved in any international transaction. Upon the option of the customer, the goods can be viewed (108) on catalogue sheets translated to a language of the customer's choice, and the price provided in a currency selected by the customer. The customer also has the option of initiating the order with automatic credit authorization (150), generation of an electronic title (165) or commercial invoice and arrangements and payment of shipping charges (134) and any taxes and import/export duties (187).

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INTERNATIONAL SEARCH REPORT

International application No.
PCT/US98/26220

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US CL : 705/27, 17; 709/217

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

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U.S. : 705/27, 26, 17, 16; 709/217; 707/103, 102, 104, 9, 533; 345/335; 348/7, 12

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

APS

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 5,630,125 A (ZELLWEGE) 13 MAY 1997, SUMMARY OF THE INVENTION, DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS.	1
Y,P	US 5,710,887 A (CHELLIAH ET AL.) 20 JANUARY 1998, SUMMARY OF THE INVENTION, DESCRIPTION OF EMBODIMENTS.	1
Y,P	US 5,717,989 A (TOZZOLI ET AL.) 10 FEBRUARY 1998, OBJECTS AND SUMMARY OF THE INVENTION, DETAILED DESCRIPTION OF CERTAIN ADVANTAGEOUS EMBODIMENTS.	1
Y,P	US 5,850,446 A (BERGER ET AL.) 15 DECEMBER 1998, SUMMARY OF THE INVENTION, DETAILED DESCRIPTION.	1

☒ Further documents are listed in the continuation of Box C.
 ☐ See patent family annex.

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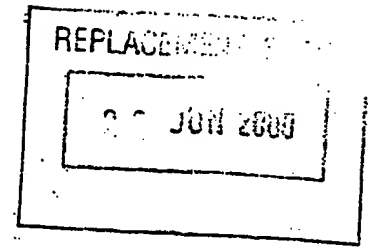
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Joni Hill

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US98/26220

C (Continuation). DOCUMENTS CONSIDERED TO BE RELEVANT		
Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y,E	US 5,889,863 A (WEBER) 30 MARCH 1999, SUMMARY OF THE INVENTION, DETAILED DESCRIPTION.	1
Y,E	US 5,892,900 A (GINTER ET AL.) 06 APRIL 1999, BACKGROUND AND SUMMARY OF THE INVENTION(S), MORE DETAILED DESCRIPTION.	1
Y,E	US 5,910,987 A (GINTER ET AL.) 08 JUNE 1999, BACKGROUND AND SUMMARY OF THE INVENTION(S), MORE DETAILED DESCRIPTION.	1



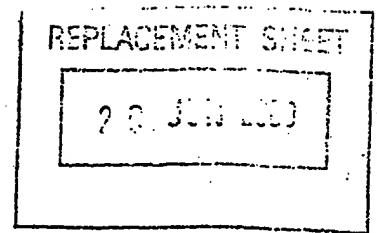
Brief Description of the Drawings

Figure 1(a) and 1(b) constitute a flow chart depicting the operation of the transaction system of the present invention.

Detailed Description of the Preferred Embodiments

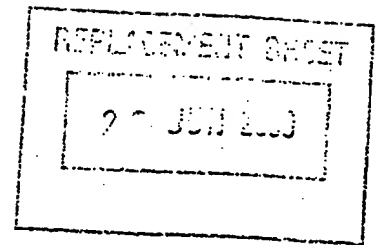
The design of the international shopping and transaction system of the present invention creates a seamless order entry system for shopping on the World Wide Web or private networks. A plurality of computer databases and systems are accessed to complete the functions necessary for both national and international transactions for the purchase of goods and services. All of the interactions between the various external databases and the transaction program are controlled by transaction program. The transaction system contains or interacts with various databases, including:

- 1) product and catalogue information, including transactions to different languages or product catalogues;
- 2) currency information, including conversion data and alarm data indicating instability;
- 3) product codes from harmonized tariff tables, including tax and import information, including administrative requirements and data for satisfying



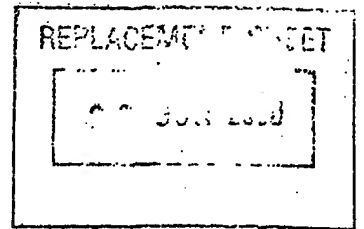
available on the system. A particular catalogue or set of catalogues, in a preferred language, are accessed step 104 from processing center designated as the first database and downloaded for access by the user. Preferably, the language translation databases (not shown) containing the translations of all of the catalogue material are held in separate databases on computers separate from those handling the interface with the customers. This arrangement will save time and memory space for the computers actually handling the transaction. The first database can be managed by the system operator of the inventive transaction system or can be external to the transaction system. In the latter case, the system operator can access such data over the internet, intranet or any other electromagnetic force (EMF) wave communications link.

Preferably, the user is provided with a plurality of different catalogues from among which to select on a real time basis. It is expected that many of the catalogues will be from sources outside of the United States, as well as the English-speaking world. Consequently, there must be pre-translated versions of catalogues in non-English languages, thereby allowing real time access of each of the catalogues in a plurality of different languages.



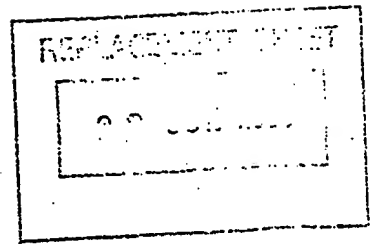
This is handled by the first data base and processing center (depicted as 1st database in Fig. 1) which serves as a catalogue builder. At step 106 a desired catalogue (and its country of origin) is selected and the country of the customer is input to select a default currency, which is used as a trigger to guide the operation or portions of the transaction process once a product or products are selected from electronic catalogues. The downloading of the country of origin of the selected catalogue (step 106) also triggers an automatic access (step 191) of the translation database (2nd database and processing center in Fig. 1) to provide the specific currency conversion between that of the original catalogue country and that of the customer as selected by the automatic defaults. However, the customer had additional currency conversion options as described with respect to step 112 supra.

Since a plurality of catalogues are contemplated, a "power search" for a specific product (or service) from among all of the catalogues is available to the customer in order to decrease the search time for the desired products. If an optional "power search" is requested at step 107, automatic access of the language translation database occurs to search the selected language versions of each of the catalogues contained therein. Once this has been done, a list of catalogues is provided to the customer in menu form so that the customer may view any or all of the catalogues.



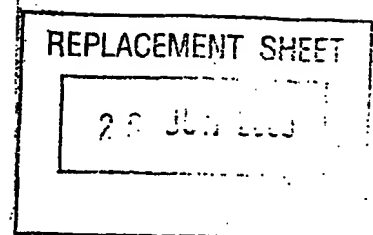
At step 108 the customer selects and views a particular catalogue and product within that catalogue for consideration. The product is presented in menu form so that the variations and permutations, and other characteristics of the product can be studied. This is done in menu form in a manner well known in the conventional art directed to electronic catalogues. In the alternative, a catalogue from a particular vendor can be selected instead of going through the "power search" of the entire catalogue inventory. Further, the "power search" engine can be activated once more (step 107) to find a particular product in the selected catalogue. In the alternative, a printed index (such as those used in hard copy catalogues) can be provided.

Making a selection (step 110) from the catalogue produces linked to web pages for any of the products listed. The power search function from the product page allows the customer to search for key words for one or all of the catalogues listed. In each catalogue a manufacturer's index allows to look at products from a single manufacturer. The customer can also go backward or forwards through programs at any time. A picture (or several pictures) of the product are normally accompanied by a description of the product, name of the manufacturer, shipping weight, cost (in the customer's currency), and other information about ordering options (available sizes, colors, styles, etc.) and the means to select multiple units of the product (with the desired options).



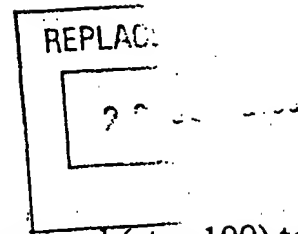
When a particular product is selected (step 110), a price in the customer's currency is automatically requested. Normally currency is chosen by default (based upon the selection of step 102). However, the customer has the option of selecting a particular currency (step 112) in which he wants the catalogue price of the selected products. The currency conversion (step 191) is carried out at the second database and processing center. This second database provides a "real time" conversion from the currency of the country in which the catalogue originates to that selected by the customer. The price is provided to the customer with a clear indication that this is the price for delivery at the vendor's factory or at one of the vendor's distributors, not the customer's location.

However, there are difficulties with "real time" currency conversion. For example, because the currency trading is carried out electronically, there may be an almost constant change in the conversion rate. Consequently, it is necessary to freeze the conversion rate for purposes of carrying out a selected transaction at a particular point in time. This can be done automatically (step 116) at the time that the customer initially asks for the converted catalogue price by selecting a particular product. In order to compensate for any disparity between the quoted exchange rate and the real exchange rate when the transaction between the customer and vendor



takes place (either independently or through the auspices of the present transaction system), the transaction system adds a small percentage to the conversion rate (step 117). This percentage can also accommodate any charges to the vendor or customer for using the transaction system and taking advantages of the conveniences inherent thereto.

At step 118, an automatic alarm is activated when one or both of the currencies in the selected conversion process are exhibiting wide fluctuations in value. Such fluctuations can be determined by the system operator so that when in the operator's opinion, currencies become unstable, transactions in one or both of the subject currencies can be suspended by the system. Such suspension can be automatic or manual, depending upon the preferences of the system operator. When the decision is made, a message is sent to the customer (step 190) instead of a price, indicating that because of instability in the currency market, transactions in a particular currency have been suspended. At which time, the customer can be offered the option of an alternative currency, if such alternative is feasible. For another option, the customer can be offered a higher price to compensate for wide swings in currency conversion values. Any or all of these opinions are presented to the customer, along with any other desired catalogue information, at step 190.



Should the currency conversion be stable, the price is displayed (step 190) to the customer almost instantaneously after either step 190 or step 112. Also displayed with the price is a message indicating that the price displayed is limited to the vendor's factory, or one of his outlets, however the vendor may choose. The message will also indicate that the customer must request additional information to obtain the price for the product to be delivered to a destination of the customers choosing. It is crucial that the message clearly indicate to the customer that there is far more expense involved too obtaining the goods than merely the original price at the factory or the distributor of the vendor. This is especially true if the vendor and customer are in different countries, such as the United States and the Netherlands.

Table A below illustrates this situation.

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TABLE A

1. Price FOB factory \$15,000.00	11. Exporter Markup \$ 2,000.00
2. Loading and Handling \$ 150.00	12. Export Preparation \$ 500.00
3. Destination Insurance \$ 25.00	13. Export Packaging, 20' containerized and lashed down. \$ 1,500.00
4. Destination Freight \$ 450.00	14. Cost to prepare export documentation and export packing list and Shippers Export Declaration (SED) \$ 75.00
5. Cost FOB Dealer Location \$ 15,625.00	15. Freight Forwarder and documentation Fees \$ 200.00
6. Dealer Markup \$ 3,000.00	16. Price Ex Works Exporters Location (WEX) \$ 23,275.00
7. Dealer Preparation \$ 250.00	17. Inland freight to Port of Norfolk, VA \$ 450.00
8. Price FOB Dealer Location \$ 18,875.00	18. Insurance on EXW value for transport to Norfolk, VA \$ 75.00
9. Transport and Insurance to Exporter Location \$ 125.00	19. Price Free Carried Port of Norfolk, VA \$ 75.00
10. Price FOB Exporter Location \$ 19,000.00	20. Gate Charge \$ 25.00

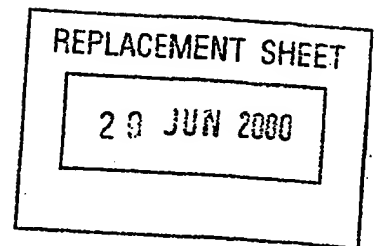
29 JUN 2000

21. Port Charge \$ 150.00	31. Bunker Surcharges \$ 50.00
22. Warfage \$ 200.00	32. War Risk Surcharges N/A
23. Stevedoring transport along side vessel \$ 75.00	33. Cost and Freight of Goods to Rotterdam (CFR) \$ 25,079.00
24. Price Free Along Ship, Norfolk, VA (FAS) \$ 24,250.00	34. Cost, Insurance and Freight Rotterdam (CIF) \$ 25,229.00
25. Cargo Loading and Securing \$ 100.00	35. Port of Rotterdam charges \$ 75.00
26. Extra Lengths Charges N/A	36. Pier of loading charges \$ 150.00
27. Heavy Lift Charges N/A	37. Stevedoring and terminal transport \$75.00
28. Price FOB Vessel \$ 24,350.00	38. Pre-import clearance warehousing \$ 100.00
29. Harbor Maintenance Fee (HMF) 0.125% SED Value \$ 29.00	39. Delivery Duty Unpaid Rotterdam (DDU) \$ 25, 629.00
30. Ocean carriage Charges \$ 750.00	40. Import duties based on Tariff Classification of Goods class 8703.21 (conventional) = 10.0% \$ 2,562.00

REPLACEMENT

20 Jan 2000

41. Delivered Duty Paid, VAT unpaid, Luxury tax unpaid \$ 28,191.00	45. Inland Freight and Handling to buyers location \$ 600.00
42. Value Added Tax (VAT) 17.5% of DDU plus import duties. \$ 4,933.00	46. Price FOB buyer's location \$ 35,697.00
43. Luxury Tax, 7% DDP \$ 1,973.00	47. System data base price in U.S. Dollars \$ 35,697.00
44. Delivered Duty Paid \$ 35,097.00	48. System price shown to buyer in Dutch Guilders +2% hedge factor 71,756.82 x 1.02 73,191.00 guilders



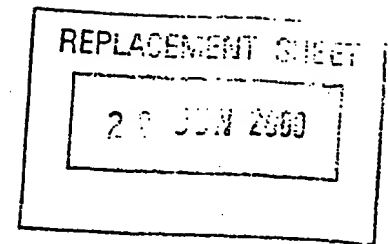
Based upon calculations addressing each issue in Table A (where appropriate), the customer is given the option of determining the real price of the transaction. If the customer makes this request (step 120), the next stage of the inventive process is carried out. Responsive to an affirmative answer by the customer, a commodity code for the selected product is obtained (step 122) by accessing the harmonized international tariff tables and classification system, as well as the formats for any necessary import/export data, and administrative requirements for all countries involved in possible transactions. If the vendor's country of origin or the destination country have commodity codes different from those of the harmonized tables, a search is conducted in other databases by the third database and processing center to determine the correct commodity code. This search (not depicted) will be used to look up other data related to the product and the country of destination, as well as generate appropriate documents from the third database. The commodity code can be displayed to the customer for his or her information. However, this is not necessary. Rather, the commodity code in conjunction with the country of destination is used to trigger certain subsequent operations of the inventive transaction process as depicted in Fig 1 at steps 130 and 132 supra.

The "real price" or the price to deliver selected products to a specified point (presumably one convenient to the customer) entails the cost of all freight for each

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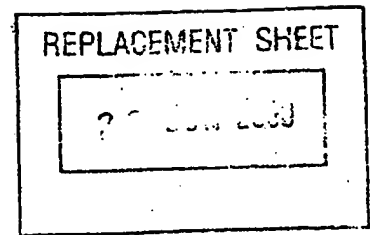
leg of the journey, insurance (if applicable), sales taxes, handling charges, document generation and forwarding charges, import/export duties, and "value added" taxes as well as luxury taxes (if applicable). The first step in calculating the cost of freight is to find out the total number of items to be shipped. This is input by the customer at step 124. At this point a determination is made between retail and wholesale transactions based on product type and amount (from the catalogue data), and the customer identity. This determination can trigger the selection of shipping conditions at step 128 supra.

This operation will immediately trigger an operation (step 125) of checking with the vendor that the indicated number of the selected products is available. This is done by accessing (step 192) a fourth database and processing center (preferably generated and maintained by the selected vendor). This operation includes automatically contacting the vendor and requesting confirmation of the inventory. Should the requested number of products be unavailable, a message can be sent back to the transaction program to be displayed to the customer. Also, any additional information regarding product availability, such as expected delivery dates etc., can be provided at this time.



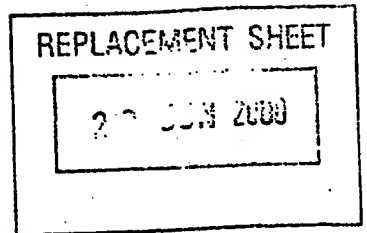
At step 126, the customer inputs the destination for purposes of calculating the cost of delivering the selected product or products to that destination. This information, in conjunction with the commodity code triggers the particular calculations for packaging, shipping, taxes, duties, insurance etc. of the rest of the transaction process. This is necessary to select the correct freight routes and charge. If, for example, the destination point is within the vendor's country of origin (a determination made at step 193), the calculation of transport charges and duties is much simplified. Calculation of standard freight charges is provided along with the optional insurance and any other charges, to the customer at step 127. This information can be displayed on the screen as soon as the customer indicates the destination point due to simplicity of the calculations.

The options that can be displayed in conjunction with step 127 allow the customer to choose the various transport and insurance options that are available (depending on the retail/wholesale status). Also, the vendor may offer a standard transportation package to customers that may be less expensive (because of vendor volume and leverage with carriers) than the options that would be available to individual customers. Where appropriate, customer selection of the options can be made at step 128 (if permitted by the vendor in a national transaction). A simplified operation of the inventive process would occur if a national transaction and no



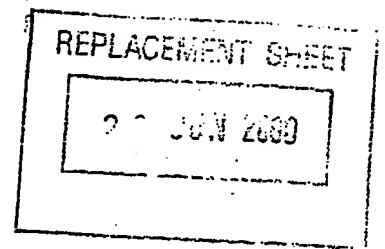
customer transport options were involved. As a result only sales tax would be added to the freight charges. Once the selections at step 128 are made, the sales tax can be computed automatically and displayed to the customer at step 129. For most domestic transactions within the United States, the process would end at this point unless the customer chose to enter the order and begin that part of the process dealing with credit information and the transfer of electronic title and the shipping of the selected goods.

For international transactions (to which the present invention more specifically directed) and situations in which a customer can select some freight options, the calculation of freight charges is far more complex. First, (at step 130), revenue units are calculated for the products to be shipped in four different ways, including: metric units for air transport; metric units for sea transport; standard English units for air transports; and, standard English units for sea transport. The precise calculations of each type of revenue unit is already well-known and needs no further elaboration for an understanding of the present invention. These calculations are standard in the shipping industry, and are based upon information derived from the third data base (triggered at step 122), including packing requirements for the selected product or products. The type of revenue unit selected by a vendor, customer or the instant transaction program depends upon a variety of factors, including : the country of



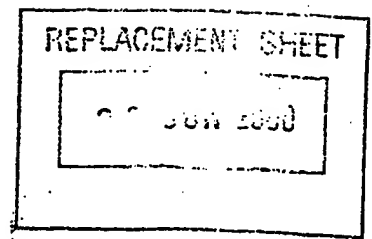
origin of the vendor; the country of origin of the shipper; the type of product involved (commodity code); and, (most important) the least expensive method of transporting the goods at issue.

At step 132 a determination of the discrete legs or links of the overall transport route are determined based upon shipping data contained in the fifth data base and processing center. This is also done based upon a standard shipping route dictated by the vendor, the route requested by the customer, or some combination of the two. The transport route is further based on the type of product indicated or the commodity code provided by the third data base, which also provides the shipping and administrative requirements of a specific product. In many cases, the various discrete legs of the route are dictated by the nature of the product being shipped. For example, an automobile being shipped from Germany to the United States will be transported by sea, and embarked on ship at the port in Germany most convenient to the automobile manufacturer. The manufacturer will most likely dictate that the sea transport take place from the German port of his choice to New York city. At which point, the customer has options of how the car will be taken from the warf, through U.S. Customs, and to the final destination. Thus, between the vendor and the customer each discrete leg of the transport route is determined (step 132), as well as the costs accompanying each of those discrete legs of the journey (step 134).



An example of such expenses are found in Table A which depicts an example of the costs for each discrete leg of the journey, and how such costs are added to the factory price of the goods of issue. Each discrete leg of route includes costs such as insurance, taxes, licensing fees, handling fees, and documentation fees. Thus, based upon the origin of the goods and the destination, as well as the revenue units for the package of the goods and the classification of the goods themselves, the cost of each discrete link is calculated using factors similar to the example found in Table A. The calculations take place in a number of sub-steps as indicated in Table A.

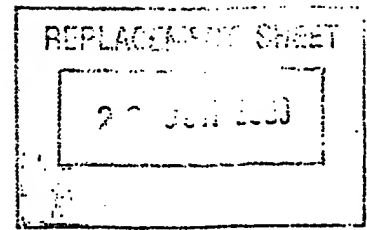
Of course, the sub-steps are determined by the origin and destination. At step 134, all costs such as freight, handling, basic taxes (such as sales tax) and documentation fees, insurance, import/export charges, and the like are calculated to provide a total cost to obtain the selected product or products at the selected destination. In many places import/export fees are based not upon a factory price of the goods but upon a first preliminary sum, including all necessary expenses to move the product or goods to the point at which the duties are assessed. These duties are added to create a second preliminary sum because under some conditions, additional taxes such as luxury taxes, value added taxes, etc. are based upon the second preliminary sum which includes transport expenses, some sales taxes and some import/export duties.



So the final sum displayed at step 136 includes all of the taxes under all of the circumstances is based upon applying coefficients (based upon taxes) to the previous two sums. The example of Table A indicates the kind of values that are involved, and how some of the taxes in the destination country are calculated based upon previously calculated product cost, freight costs, insurance, taxes, etc.

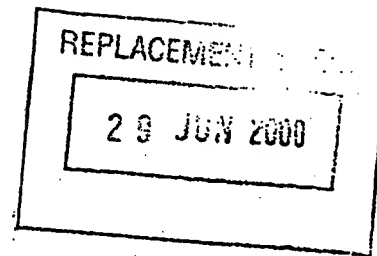
The results of this calculation (step 134) are converted to the currency requested by the customer in the same manner as described to steps 112, 116, 117 and 118. Thus, a potential customer has a display (step 136) of the full cost of a foreign transaction displayed in front of him before the transaction is actually carried out. This is in contrast to other electronic or internet transaction systems, which do not address international transactions or any but the simplest tax and shipping charges.

At this point, the customer has the option of investigating the prices of other products or of entering the order for the products selected. To order the products (step 140) the customer activates the appropriate area of the menu screen. This activation triggers two processes. In the first process an order is sent directly to the vendor electronically (step 142) requesting shipment to the customer's destination. While this is the preferred method, the order can be buffered electronically by recording devices, or handled by human operators, or any combination using the



three to access the order entry operation by the fourth data base and processing center, preferably maintained by the vendor. The vendor can then process the order for the selected products deduct from inventory and arrange for shipping to the requested information.

In order for the vendor to ship the selected products, it will be necessary to access a source of funds from the customer. Consequently, it is necessary that the electronic order also initiated a second process, confirmation of customer credit (step 150). This can be done by accessing (at step 150) a fifth data base and processing center, preferably a credit or funds transfer system. Preferably, this operation will be



local credit card company, transferring funds to the vendor on behalf of the customer. Preferably, the entire transaction would take place electronically in the same manner that most credit card transactions are handled conventionally. Thus, funds available to a customer from a local bank credit in the Netherlands could be translated into funds available to American factory which will send the car to a Virginia port for export (see Table A).

Once electronic funds (or other authorization) are transferred to the vendor (step 161) from a local clearing house, the vendor will utilize a connection to the transaction system of the present invention to generate an electronic title (step 165) also referred to as a commercial invoice. Paper copies of the title or commercial invoice can also be generated from the electronic original invoice for archival purposes or for presentation to entities requiring hard copies to further process the title or commercial invoice. Generation of the electronic title (at step 165) is done to create a faster transfer of title through all the official channels that must approve of the title and from there to the customer. The electronic title can be generated by the vendor or the instant transaction system upon authorization by the vendor.

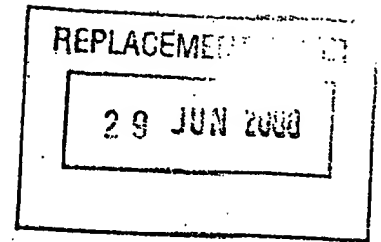
Conventionally the hard copy of the commercial invoice accompanies the goods and must be hand-carried to all of the official entities (such as the national customs services) that must process the papers, check the goods and authorize movement in

20 Jan 1980

and out of a particular country. Also, the conventional handling of the commercial invoices results in extra fees to the customer, but cannot be avoided since it must take place at every discrete leg of the shipping route. Further, the loss of these papers can be catastrophic in terms of receiving the goods in a timely fashion.

Upon generating the electronic commercial invoice (step 165 based upon vendor authorization or provided by the vendor), the vendor must carry out two types of activities. The first is administrative, and includes satisfying the requirements of the various governmental and regulatory entities controlling commerce and manufacturer at the location of the vendor (step 180). The second is to arrange transportation to the point requested by the customer (step 170). Under the simplest condition, this means that paying the sales tax and a carrier to ship the goods at least part of the way of the customer's requested destination.

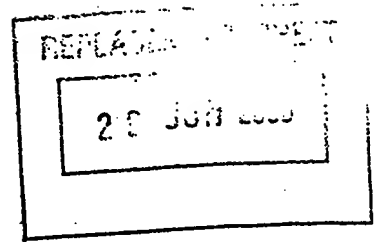
However, when international transactions are involved, such as that as depicted in Table A, a great deal more administrative work is necessary. Further, there are also added complications and expenses in the actual packing, handling and shipping processes. In such a situation, the vendor must arrange and pay (step 170) for transport from the factory to a shipping port, as well as all handling charges, warf fees, packing fees and the insurance that is always necessary when sending valuable



goods by ship. A similar process takes place when goods are sent by air although there are fewer complications in terms of moving the goods from a terminal (usually where the national customs and export authorities must approve the goods) onto a plane. Of course, to move anything onto an international carrier such as a ship or a plane, the commercial invoice, packing list and any governmental release papers are needed, indicating that goods have been cleared for export. In the alternative the present transaction system, can make the shipping arrangements on behalf of the vendor.

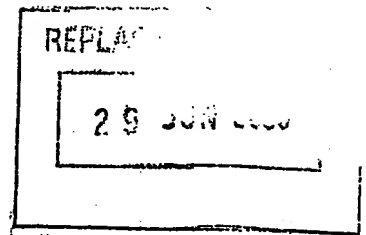
Along with the physical, packing, handling and shipping of the goods, it is necessary to carry out the administrative functions. The present inventive system handles these (step 180) by sending electronic requests to the necessary governmental agencies based upon the commodity code from the harmonized and the country of destination. This combination will trigger a series of operations (out of a large number of possible operations) to satisfy the administrative requirements for carrying out the transaction, including the generation of all necessary documents based on data from the third database.

For example, the combination of destination and commodity code may automatically trigger a request to the Department of Commerce (DOC) for an export



license. This can be done electronically since the DOC, like most government entities, is capable of receiving communications via e-mail and responding thereto. The electronic title can be sent as part of the request for the export license, and the response from the state department returned electronically. The electronic documentation from the DOC can then be used to make a request to the State Department to obtain clearance to export the subject goods, if the commodity code and destination country justify that such a request be made. The electronic indication of an export license from the Department of Commerce and the electronic clearance document from the State of Department can be sent electronically to U.S. Customs service along with the electronic title to obtain prompt clearance that will allow the goods to be transferred quickly from the local carrier to an international carrier such as a plane or a ship.

At step 170, the vendor has the option of paying the local taxes, local transport costs, insurance, packaging, etc. himself, or contracting to have some of this done through the inventive transaction system. For example, the transaction system provider can arrange to pay local taxes, arrange for local transport and insurance. However, because most vendors currently have systems in place to efficiently handle such tasks, it is unlikely that the duties will fall to the operator of the



(step 176), such as a ship's captain, and the captain also takes possession of the commercial invoice (step 186). Normally, a bill of lading and export packing list are attached to the goods and a copy kept with the commercial invoice. In conventional transactions, when reaching the destination port, the international carrier official (such as the ship's captain) will turn over the commercial invoices to a commercial entity which specializes in moving the papers from the carrier to the customs department of the destination country. This also adds expense to international transactions. However, with the present transaction system, the electronic titles and export packing list for the goods can be transferred directly from the international carrier official by system operator to the national customs departments of the destination country at the port receiving the goods at issue (step 187). Normally this is done by carriers such as FedEx, UPS, etc., and is often done in conjunction with moving the goods off the warf/ramp/tarmac to the national customs area (step 177). Rather than providing a hard copy of a commercial invoice, an electronic copy with the authorization of the international carrier can be provided either as an electronic document or a hard copy can be generated and provided with the signature of an official of the international carrier. Preferably, the electronic documentation will be presented to the customs officials along with payment of the precalculated taxes, import duties, value added taxes, luxury taxes, etc (step 188). Transfer of funds can be made electronically to

29 JUN 2000

the national customs service or other governmental services if this is permitted.

Otherwise, the transaction system of the present invention can arrange for the funds to be provided to the international carrier or some other agent for presentation to the customs officials when the commercial title, bill of lading, etc. are presented so that the goods can clear national customs.

Once the goods have been moved out of the customs area, a local carrier can take possession (step 178) and begin delivery to the requested customer destination (step 179). The present system is capable of arranging payments with local carriers so that the customer does not have to go through this process. It is expected that this arrangement will be more convenient since the translation system operator will probably have better arrangements with local carriers that can be obtained by individual customers. The system operator will also have direct access to customer funds to ensure that payment to the local freight carriers is made.

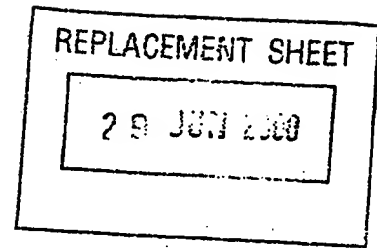
Once the commercial invoice clears the customs service, the document can be sent electronically via the internet, intranet, facsimile, PTP, or any other convenient means, directly to the customer (step 189). The electronic title, modified in accordance with the customs regulations of the two respective countries and the

20 JUN 2000

international carrier, will provide a complete memorialization of transfer of the goods from the factory to the final destination point. Based upon the dates added to the electronic title, the customer will know exactly where his goods were during the time taken to traverse the route from the factory to the final destination. Thus, the customer will have a complete record for monitoring costs and determining the point at which possible damage occurred.

Once an order is entered (step 140) the customer information is loaded into the customer database and inventory information updated. The customer information can be used to create customer profiles to be sorted in the sixth database (not shown) and processing center. Such information can later be used to guide customers to catalogues or products related to previous purchases, as well as previously selected languages and currencies.

The present invention provides a comprehensive point-to-point cost analysis for any international transaction, as well as transactions conducted within a single country. All costs are disclosed to the customer before the order is actually entered. The transaction system also provides automatic fund transfers via credit card systems or virtual currency in clearing houses to carry out the transaction, paying any necessary governmental agencies electronically. By conducting

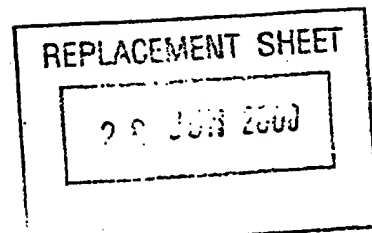


The Claims

1. A process for carrying out an international transaction over EMF communication links using computer to computer communications comprising the steps of:
 - (a) selecting a language in which to view catalogue information on products;
 - (b) selecting a currency in which to obtain a price of the products;
 - (c) selecting products to be purchased and a destination for said selected products to be purchased thereby triggering a calculation of all costs involved in moving said selected products to said destination based upon said destination and said selected products; and,
 - (d) ordering said selected products thereby triggering an electronic funds transfer authorisation and generation of electronic title configured to define ownership and facilitate passage of said selected products and payments of international taxes and duties.
2. The process of claim 1, wherein prior to said step (a) of selecting a language, carrying out a preliminary step of:
 - (i) verifying customer information for an individual accessing a computer system for carrying out said process via internet.

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3. The process of claim 2, wherein said preliminary step of verifying customer information comprises the substeps of:
- (i) automatically selecting currency based upon customer information;
 - and,
 - (ii) determining an exchange rate based upon currency of customer country and a predetermined exchange medium.
4. The process of claim 3, wherein said step (c) of selecting products comprises the substeps of:
- (i) distinguishing between foreign and domestic transactions.
5. The process of claim 4, wherein said step (c) of selecting products further comprise the substep of:
- (ii) calculating shipping routes and costs for selection by said customer.
6. The process of claim 5, wherein said step (c) of selecting products comprise the further substep of:
- (iii) calculating taxes, import duties, export duties and all shipping costs based upon selected shipping routes.



7. The process of claim 6, wherein said step (d) of ordering said selected products comprise the substep of:

- (i) carrying out transactions to arrange for shipment of products selected by customer along a selected shipping route.

8. The process of claim 7, further comprising the step of:

- (e) correlating movement of said electronic title within movement of selected products along said shipping route.

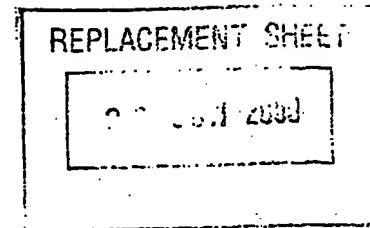
9. The process of claim 8, further comprising the step of:

- (f) generating documents from said electronic title when appropriate along said selected shipping route.

10. The process of claim 9, wherein said step (f) of generating documents comprise the substep of:

- (i) authorising electronic payment of all expenses required along said shipping route.

11. The process of claim 10, further comprising the step of:



(g) storing and analysing data based upon each said customer accessing said system to develop a purchasing profile for each said customer.

12. The process of claim 11, wherein said customer purchasing profile is used to select candidate products to be presented to said customer upon subsequent accessing of said system before selection of products for purchase by said customer.

13. A system for carrying out all requirements for a complete international transaction between computers operating over the Internet, at least one of said computers being programmed to comprise:

(a) means for accessing a plurality of databases, said databases being related to each other by at least one transaction;

(b) means for generating an electronic title for goods subject to said transaction;

(c) means for routing said electronic title along a transportation route of goods involved in said transaction.

14. The system of claim 13, further comprising:

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(d) means for transferring funds to pay all duties, handling costs and transfer costs of said goods subject to said transaction.

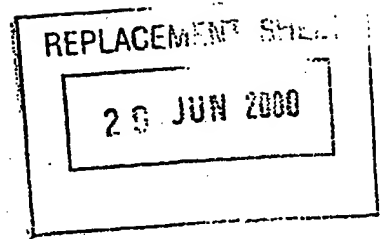
15. The system of claim 14, wherein said plurality of databases comprise information on customer data, financial data, goods available for transaction, routing information for goods subject to transaction and costs for transferring goods, costs for handling goods at transfer points, and costs of duties, and taxes.

16. The system of claim 15, further comprising means for converting currencies for purposes of carrying out transactions between consumers and vendors in different countries.

17. The system of claim 16, further comprising:

(a) means for generating a database of customer purchasing histories and customer financial data; and

(b) means for reviewing said customer purchasing history database before initiating transactions.



18. A signal stream generated as part of an international [a] transaction carried out over an EMF link [the internet] between at least two computers, said signal stream being generated by at least one of said computers and comprising:

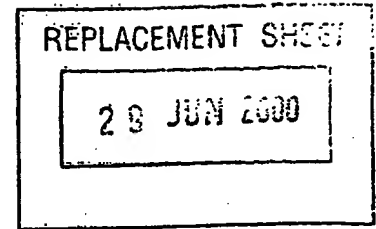
- (a) goods subject to said transaction;
- (b) routing information for transferring said goods subject to said transaction from a vendor to a destination; and,
- (c) all data necessary for generating electronic title configured to define ownership and facilitate passage of said goods subject to said transaction and payment of international taxes and duties.

19. The signal stream of claim 6, wherein said signal stream further comprises:

- (d) data for generating all documents necessary for an international transaction at transfer points along a travel route of said goods subject to said international transaction.

20. The signal stream of claim 19, wherein said signal stream further comprises:

- (e) financial information necessary to effect transfer of funds at each said transfer point along said route where such transfer is required.



21. A process for carrying out transaction over EMF communication links using computer to computer communications comprising the steps of:

- (a) selecting products to be purchased and a destination for said selected products to be purchased thereby; and,
- (b) ordering said selected products thereby triggering generation of an electronic title configured to define ownership of said selected products.

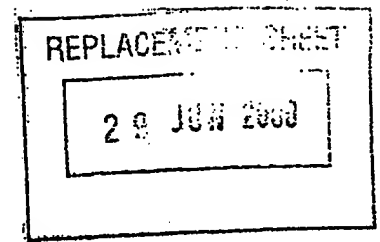
22. The process of claim 21, further comprising the step of:

- (c) moving said electronic title via EMF communications links from point to point along a route of passage to said destination for said selected products.

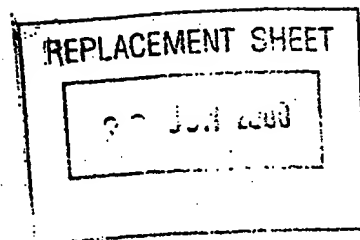
23. The process of claim 22, further comprising the step of:

- (d) providing authorisation data at selected ones of said points along said route of passage by means of electronic title.

24. The process of claim 23, wherein said step (d) of providing authorisation data comprise the transfer of payment.



25. The process of claim 24, wherein said step (a) of selecting products comprises the substep of distinguishing between foreign and domestic transactions.
26. The process of claim 25, wherein said step (d) of providing authorisation data further comprises the substep of:
- generating documents from said electronic title where appropriate at said selected points along said route of passage.
27. The process of claim 25, wherein said (d) of providing authorisation data further comprises the substep of:
- payment of required transfer costs at said selected points along said route of passage.
28. The process of claim 21, wherein said step (b) of ordering is carried out using a single computer operation by a computer ordering said products.
29. A system for carrying out all requirements for a complete international transaction between computers operating over a network of EMF communications links, at least one of said computers being programmed to comprise:



(a) means for generating an electronic title for goods subject to a transaction;

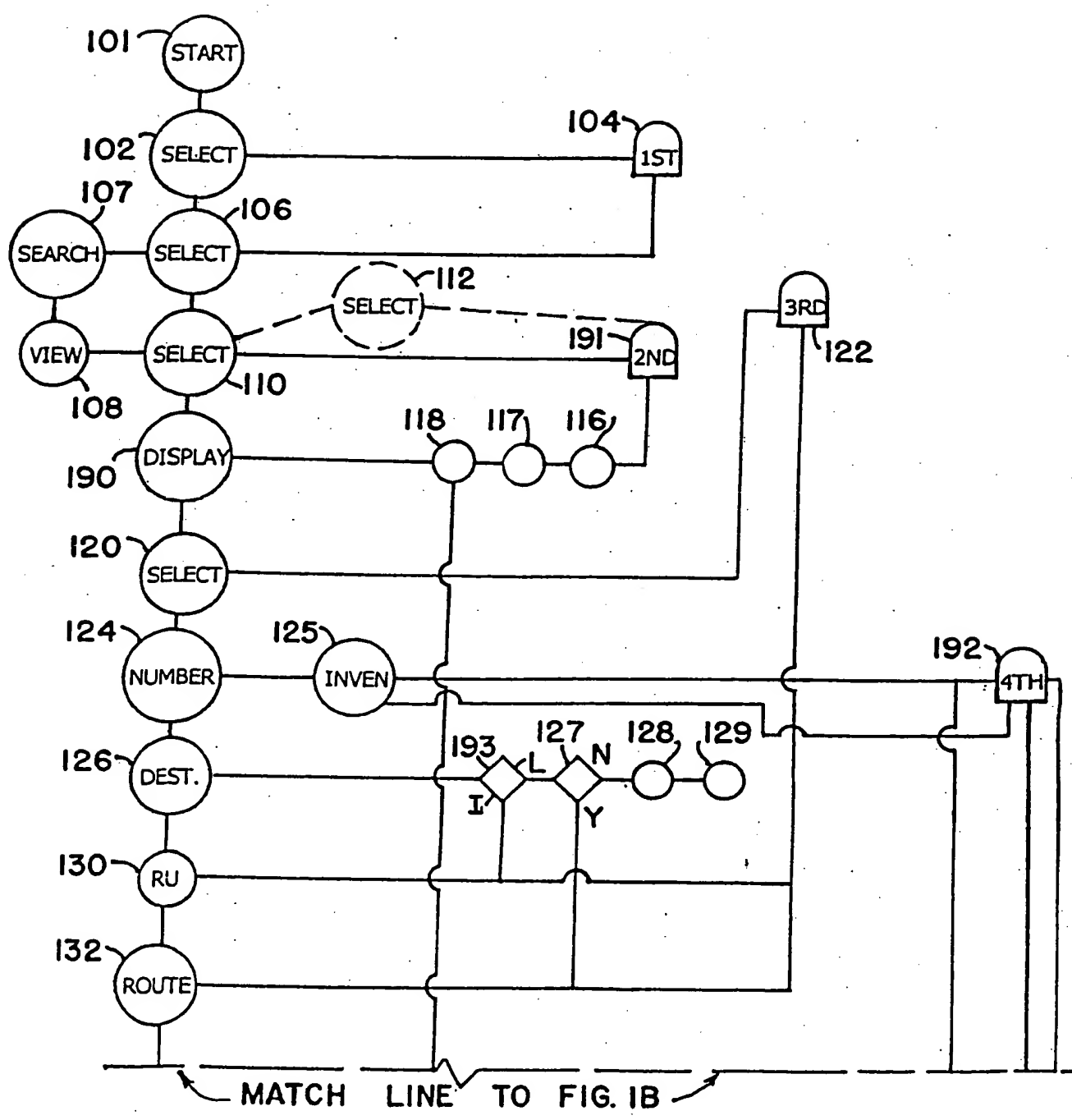
and,

(b) means for routing said electronic title along a transportation route of goods involved in said transaction.

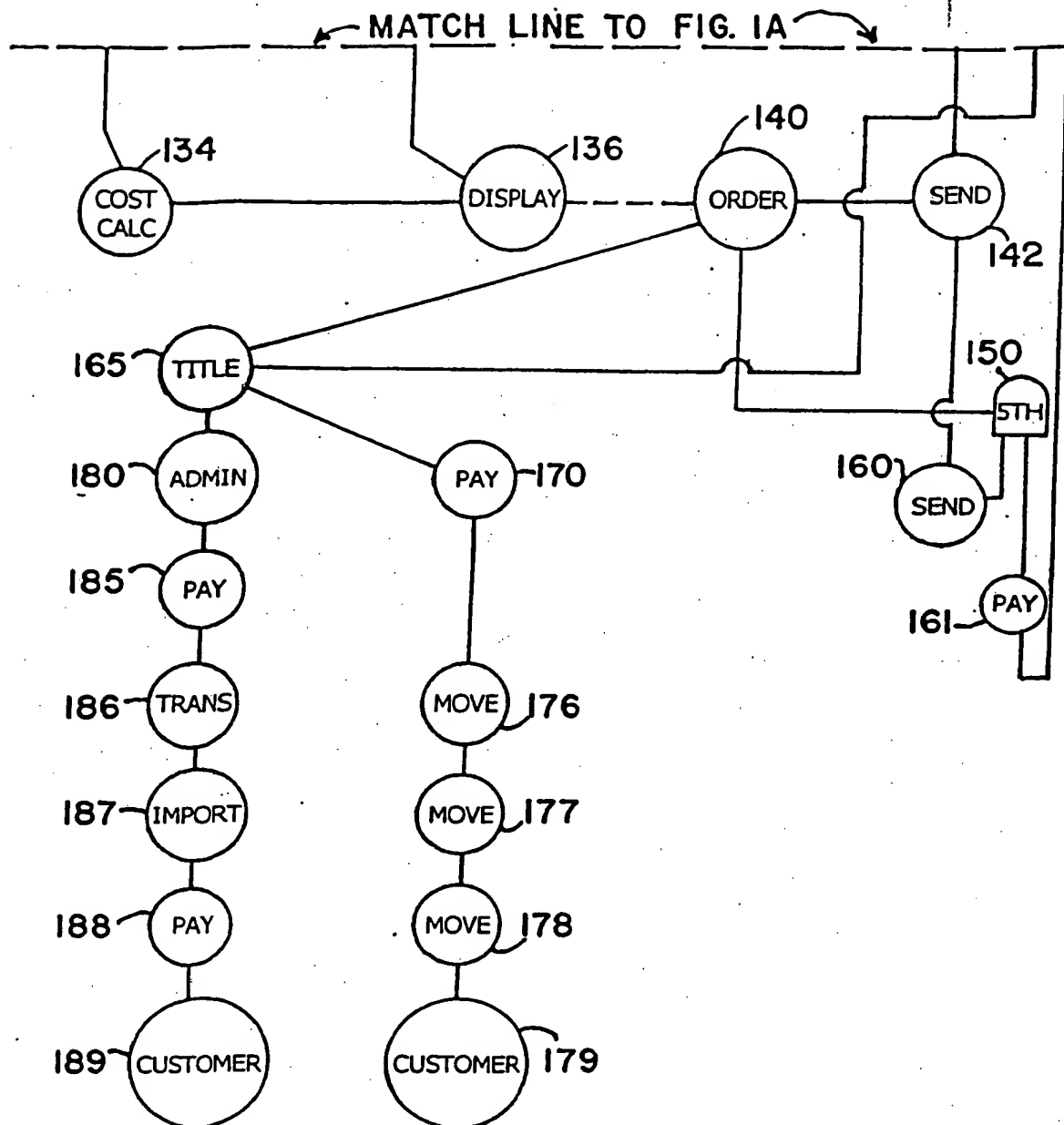
30. The system of claim 29, further comprising:

(c) means for transferring funds to pay all required transfer costs of said goods subject to said transaction.

FIG. 1A



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FIG. 1B

ShookLin & Bok

By Hand Only

3 October 2000

The Registrar of Patents
Intellectual Property Office of Singapore
51 Bras Basah Road
#04-01 Plaza By The Park
Singapore 189554

Dear Madam

Singapore Patent Application No. 200003638-4
Chapter II (30th Month) Entry into National Phase (Singapore)
International Application No. PCT/US98/29220
Title "Universal Shopping Center for International Operation"
Applicant: POOL, Ed and MAUER Doug

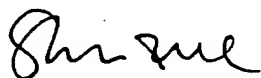
We refer to the above application.

We have our client's instruction to pay the grant fee for the above application.

Accordingly, we enclose with this letter, Patents Forms 14 and our cheque S\$150/-.

We look forward to receiving the Certificate of Grant at your earliest convenience.

Yours faithfully



Jim Lim/Andrew Sim
SHOOK LIN & BOK

Enc

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旭齡及穆律師樓

Advocates & Solicitors
Notary Public & Commissioners for Oaths
Trademark & Patent Agents
Associated with Shook Lin & Bok Kuala Lumpur

Your ref 200003638-4

Our ref (in reply please quote our reference).
JIM/SYM/LIPC/2001626/at

\$150/-

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Phua Aik Siew

Senior Associates
Edwin Tan Peng Yam

Chinese Law Advisors
Song Qing*
Li Ying*
Wang LiQiong*

* Not admitted to practice Singapore Law

2000 10 03 15:00

**SINGAPORE
PATENTS ACT
(CHAPTER 221)
PATENTS RULES**

The Registrar,
Registry of Patents.

PAYMENT OF FEE FOR GRANT OF A PATENT

NOTES:

1. This form should be completed by the applicant(s) for the patent, entering his/their name(s) and address(es), and the number of the relevant Patent Application in the spaces provided.
2. The history of all the replacement sheets to the description, claims, drawings and abstract in relation to the patent application in question should be reflected either in this form, in a separate sheet(s), or in a covering letter enclosing/accompanying this form. If this form is used to reflect the history, and there is insufficient space below, please proceed to use separate sheets and annex them to this form. Under the column "History of Replacement Sheets Filed", applicants should identify clearly the replacement sheets that were furnished (e.g. Description: pages 2 to 10, 11, 15, 18; Claims: pages 19 & 20; Drawings: Fig 1 & 2 (2 sheets)), corresponding to the date they were filed with the Registry.
3. Attention is directed to rules 90 and 105 of the Patent Rules.

In the matter of Patent Application No. 200003638-4

1) POOL, Ed
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Union Hall, VA 24176
USA

and

2) MAUER, Doug
107 Sunset Boulevard
Blacksburg, VA 24060
USA

transmit the fee for the grant of a patent in respect of the above identified patent application.

Signature(s)
(see note 3)



Date: 3 October 2000

Name of Agent (if any) **SHOOK LIN & BOK**

Address for service in Singapore to

1 Robinson Road

which all communications should be sent

#18-00 AIA Tower

Singapore 048542

SINGAPORE

MAILED	21 Sep 2000
WIPO	PCT

Communication On Request
PCT Examination Section II
e-mail: pctcor@wipo.int

Received on

PCT/US98/24368	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 08/999,249	WO 99/34565
Your ref. : 200003596-4		Notes : -	
PCT/US98/24369	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 08/999,254	WO 99/34566
Your ref. : 200003595-6		Notes : -	
PCT/US98/24643	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 09/000,858	WO 99/33770
Your ref. : 200003571-7		Notes : -	
PCT/US98/26045	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 09/001,276	WO 99/34059
Your ref. : 200003646-7		Notes : -	
PCT/US98/26220	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 08/999,297	WO 99/34272
Your ref. : 200003638-4		Notes : -	
PCT/US98/27001	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 09/213,192 - PDOC n° 60/068,251	WO 99/32492
Your ref. : 200003636-8		Notes : -	
PCT/US98/27122	19 Sep 2000	Documents enclosed : Pamphlet - IPER - Trans. of IPER - PCT/IB/331 - PDOC n° 09/000,661	WO 99/33887
Your ref. : 200003649-1		Notes : -	
Total : 23			2

PATENT COOPERATION TREATY

PCT

NOTIFICATION OF ELECTION

(PCT Rule 61.2)

From the INTERNATIONAL BUREAU

To:

Intellectual Property Office of
Singapore (IPOS)
51 Bras Basah Road #04-01
Plaza By The Park
Singapore 189554
SINGAPOUR

in its capacity as elected Office

Date of mailing (day/month/year)

19 September 2000 (19.09.00)

International application No.

PCT/US98/26220

Applicant's or agent's file reference

LEV-0001

International filing date (day/month/year)

17 December 1998 (17.12.98)

Priority date (day/month/year)

29 December 1997 (29.12.97)

Applicant

POOL, Ed et al

1. The designated Office is hereby notified of its election made:



in the demand filed with the International Preliminary Examining Authority on:

27 July 1999 (27.07.99)



in a notice effecting later election filed with the International Bureau on:

2. The election ☒ was



was not

made before the expiration of 19 months from the priority date or, where Rule 32 applies, within the time limit under Rule 32.2(b).

The International Bureau of WIPO
34, chemin des Colombettes
1211 Geneva 20, Switzerland

Facsimile No.: (41-22) 740.14.35

Authorized officer

S. Farfara

Telephone No.: (41-22) 338.83.38

200003638-4-
IP08

REC'D 17 JAN 2000

WIPO PCT

PATENT COOPERATION TREATY

PCT

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

(PCT Article 36 and Rule 70)

Applicant's or agent's file reference LEV-0001	FOR FURTHER ACTION See Notification of Transmittal of International Preliminary Examination Report (Form PCT/IPEA/416)	
International application No. PCT/US98/26220	International filing date (day/month/year) 17 DECEMBER 1998	Priority date (day/month/year) 29 DECEMBER 1998
International Patent Classification (IPC) or national classification and IPC IPC(6): G06F 17/60 and US Cl.: 705/27, 17; 709/217		
Applicant POOL, ED		

1. This international preliminary examination report has been prepared by this International Preliminary Examining Authority and is transmitted to the applicant according to Article 36.
2. This REPORT consists of a total of 5 sheets.
- ☐ This report is also accompanied by ANNEXES, i.e., sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications made before this Authority. (see Rule 70.16 and Section 607 of the Administrative Instructions under the PCT).
- These annexes consist of a total of 0 sheets.

3. This report contains indications relating to the following items:

- I ☒ Basis of the report
- II ☐ Priority
- III ☐ Non-establishment of report with regard to novelty, inventive step or industrial applicability
- IV ☐ Lack of unity of invention
- V ☒ Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
- VI ☒ Certain documents cited
- VII ☐ Certain defects in the international application
- VIII ☐ Certain observations on the international application

Date of submission of the demand 27 JULY 1999	Date of completion of this report 13 DECEMBER 1999
Name and mailing address of the IPEA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231 Facsimile No. (703) 305-3230	Authorized officer KEVIN TESKA <u>Joni Hill</u> Telephone No. (703) 305-9704

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US98/26220

I. Basis of the report

1. This report has been drawn on the basis of (Substitute sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to the report since they do not contain amendments):

☒ the international application as originally filed.

☒ the description, pages 1-35, as originally filed.

pages NONE, filed with the demand.

pages NONE, filed with the letter of _____.

pages _____, filed with the letter of _____.

☒ the claims, Nos. 1, as originally filed.

Nos. NONE, as amended under Article 19.

Nos. NONE, filed with the demand.

Nos. NONE, filed with the letter of _____.

Nos. _____, filed with the letter of _____.

☒ the drawings, sheets/fig 1, as originally filed.

sheets/fig NONE, filed with the demand.

sheets/fig NONE, filed with the letter of _____.

sheets/fig _____, filed with the letter of _____.

2. The amendments have resulted in the cancellation of:

☒ the description, pages NONE.

☒ the claims, Nos. NONE.

☒ the drawings, sheets/fig NONE.

3. ☐ This report has been established as if (some of) the amendments had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box Additional observations below (Rule 70.2(c)).

4. Additional observations, if necessary:

NONE

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US98/26220

V. Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement**1. STATEMENT**

Novelty (N)

Claims 1 YESClaims NONE NO

Inventive Step (IS)

Claims 1 YESClaims NONE NO

Industrial Applicability (IA)

Claims 1 YESClaims NONE NO**2. CITATIONS AND EXPLANATIONS**

Claim 1 meets the criteria set out in PCT Article 33(2)-(4), because the prior art does not teach or fairly suggest a process for carrying out an international transaction over EMF communication links using computer to computer communications, wherein a language in which to view the catalogue information is selected, a currency in which to obtain a price of the products is selected, products to be purchased and a destination for the products is selected, thereby triggering a calculation of all costs involved in moving the selected products to the destination, wherein ordering the selected products triggers an electronic funds transfer authorization and generation of electronic title for the selected products.

Boesch et al., U.S. Patent No. 5,897,621, 27 APRIL 1999, an E-reference, is provided to show a system for determining approval of a multi-currency transaction between a customer and a merchant over a network, wherein: international commerce can be carried out over network communications connections between a plurality of computer systems; the customer user has knowledge about the product that the merchant is providing, including information provided in catalogs; the customer user selects a currency in which to pay for the product; the customer user and the merchant agree on a product to be purchased at a price and in a currency; whereby approval of the multi-currency transaction results in a virtual settlement transaction that entails the movement of electronic funds to the merchant's account.

Chelliah et al., U.S. Patent no. 5,710,887, 20 January 1998, a P-reference, discloses an example of electronic catalog sales, wherein the costs associated with shipping purchased items to the location designated by the customer are calculated by a commercially available shipping cost calculation system, wherein referencing information relating to the customer is stored in the customer information database, the system further allowing customer enquiries regarding a presented item to be communicated to an item database, wherein information relating to the item can be retrieved and presented to the customer, the information (Continued on Supplemental Sheet.)

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.:

PCT/US98/26220

VI Certain documents cited**1. Certain published documents (Rule 70.10)**

<u>Application No. Patent No.</u>	<u>Publication Date (day/month/year)</u>	<u>Filing Date (day/month/year)</u>	<u>Priority date (valid claim) (day/month/year)</u>
US, A, 5,897,621	27 APRIL 1999	14 JUNE 1996	NONE

2. Non-written disclosures (Rule 70.9)

<u>Kind of non-written disclosure</u>	<u>Date of non-written disclosure (day/month/year)</u>	<u>Date of written disclosure referring to non-written disclosure (day/month/year)</u>
---------------------------------------	--	--

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US98/26220

Supplemental Box
(To be used when the space in any of the preceding boxes is not sufficient)

Continuation of: Boxes I - VIII

Sheet 10

V. 2. REASONED STATEMENTS - CITATIONS AND EXPLANATIONS (Continued):
including pricing and cost of the the desired item, whereby the customer provides indication as to the desire to receive the item, the system then initiating delivery of the item to the customer.

_____ NEW CITATIONS _____
NONE

IPOS

RF 104

In Reply Please Quote Our Reference
Your Ref : JIM/SYM/LIPC/2001626/MN
Our Ref : 200003638-4
Date : 28 July 2000

SHOOK LIN & BOK
1 ROBINSON ROAD
#18-00 AIA TOWER
SINGAPORE 048542

Dear Sir(s),

Patent Application No. : 200003638-4
Filing Date : 17 December 1998
Applicant(s) : POOL, ED
MAUER, DOUG

ALLOCATION OF FILING DATE

The application has been accorded a filing date as indicated above.

The application number allocated to the application includes, at its end, a check digit. The full application number, including the check digit, should be quoted in all correspondences concerning proceedings in respect of the application up to the grant of the patent. When the application is published under section 27 of the Patents Act (Cap. 221), it will be accorded a seven-digit serial number. This number should be used only when seeking to identify patents after grant and to make enquiries concerning entries in the register.

Yours faithfully,



FOO CHUN SUANG (MISS)
for REGISTRAR OF PATENTS
SINGAPORE
Tel: 3302751

MINISTRY OF LAW
SINGAPORE

ShookLin & Bok

By Facsimile & Hand

28 June 2000

**THE REGISTRAR OF PATENTS
INTELLECTUAL PROPERTY OFFICE OF SINGAPORE**
51 Bras Basah Road, #04-01
Plaza By The Park
Singapore 189554

Dear Madam

**CHAPTER II (30TH MONTH) ENTRY INTO NATIONAL PHASE (SINGAPORE)
INTERNATIONAL APPLICATION NO. PCT/US98/26220
TITLE: "UNIVERSAL SHOPPING CENTER FOR INTERNATIONAL
OPERATION"
APPLICANTS AND INVENTORS: 1) POOL, Ed
2) MAUER, Doug**

We act for the above applicants.

We have clients' instructions to enter into the national phase in Singapore in respect of the above International Patent Application. In this connection, we enclose, with the confirmation copy of this facsimile:

- 1) Patents Form 37;
- 2) Patents Form 41;
- 3) Patents Form 13;
- 4) Our cheque for the sum of S\$170.00 being the prescribed official fee
- 5) A copy of the documents filed for the initial US application filed on 29 December 1997; and
- 6) The necessary copies of the amended pages.

Kindly acknowledge receipt upon receiving the documents. We look forward to hearing from you on the official particulars.

Yours faithfully

Jim Lim / Andrew Sim
**JIM LIM / ANDREW SIM
SHOOK LIN & BOK**

Enc (with confirmation copy)

旭齡及穆律師樓

Advocates & Solicitors
Notary Public & Commissioners for Oaths
Trademark & Patent Agents
Associated with Shook Lin & Bok Kuala Lumpur

Your ref

Our ref (in reply please quote our reference)
JIM/SYM/LIPC/2001626/mn

Fax No. **339 9230**
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**SINGAPORE
PATENTS ACT
(CHAPTER 221)
PATENTS RULES**

The Registrar,
Registry of Patents.

PAYMENT OF FEE FOR ENTRY INTO NATIONAL PHASE UNDER SECTION 86(3)

NOTES:

1. This form should be completed by the applicant(s) who filed an international application for a patent (Singapore), entering his/their name(s) and address(es), and the number of the relevant International Application in the spaces provided. Applicants should also indicate clearly the type of National Phase entry that they are seeking for.
2. Attention is directed to rules 90 and 105 of the Patents Rules.

I/We	
1) POOL, Ed Route 1, Box 218 Union Hall, VA 24176, USA	and 2) MAUER, Doug 107 Sunset Boulevard Blacksburg, VA 24060 USA
<p>the applicants in respect of an international application for a patent (Singapore) filed under the Patent Co-operation Treaty, having international application No. PCT/US98/26220 transmit the fee payable in respect of national processing of our international application.</p> <p>This entry is made pursuant to: [Please tick (✓) in the appropriate spaces provided.]</p> <p>() Chapter I of the Patent Co-operation Treaty (Singapore designated);</p> <p>() Early National Phase Entry [Chapter I of the PCT] (Singapore designated) under section 86(3)(b);</p> <p>(✓) Chapter II of the Patent Co-operation Treaty (Singapore elected);</p> <p>() Early National Phase Entry [Chapter II of the PCT] (Singapore elected) under section 86(3)(b).</p>	
<p>Other details of the international application are as follows:</p> <p>International filing date: 17 December 1998</p> <p>Earliest declared priority: 29 December 1997</p> <p>International publication number (if known): WO 99/34272</p>	
Signature(s) (See note 2)	Date: 28 June 2000
<p>Name of Agent (if any) SHOOK LIN & BOK</p>	
<p>Address for service in Singapore to 1 Robinson Road</p> <p>Which all communications should be sent. #18-00 AIA Tower</p> <p style="text-align: right;">Singapore 048542</p>	

**SINGAPORE
PATENTS ACT
(CHAPTER 221)
PATENTS RULES**

The Registrar,
Registry of Patents.

**DECLARATION OF AUTHORISATION WHERE AN AGENT IS APPOINTED OR WHERE ONE
AGENT IS SUBSTITUTED FOR ANOTHER**

NOTES:

1. This form should be completed by the person being appointed as Agent entering his name and address in Singapore in the space provided.
2. Enter in full, name and address of applicant, proprietor or other person who has authorised the Agent to act on his/their behalf.
3. State the application or other proceeding in relation to which the authorisation was made, quoting the application number or patent number as appropriate.

I/We SHOOK LIN & BOK

1 Robinson Road

#18-00 AIA Tower

Singapore 048542

declare that I/we have been authorised by

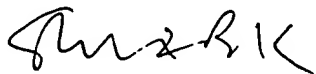
1) POOL, Ed
Route 1, Box 218
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USA

and

2) MAUER, Doug
107 Sunset Boulevard
Blacksburg, VA 24060
USA

to act as agent in the matter of the applicant's entry into the national phase in an international application for a patent (Singapore) filed under the Patent Co-operation Treaty, having international application no. PCT/US98/26220 and request that all communications relating thereto be sent to me/us at my/our place of business the address of which is given above.

Signature



Date: 28 June 2000

**SINGAPORE
PATENTS ACT
(CHAPTER 221)
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The Registrar,
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REQUEST TO AMEND APPLICATION BEFORE GRANT

NOTES:

1. This form should be completed by the applicant(s) for the patent, entering his/their name(s) and address(es), and the number of the relevant Patent Application in the spaces provided.
2. A copy of the original application showing the proposed amendments shown in indelible red marking, should be attached to this form.
3. Attention is directed to rules 90 and 105 of the Patents Rules.

We, **SHOOK LIN & BOK** seek leave to amend my/our Patent Application No. **PCT/US98/26200** as shown in red in the accompanying copy of the original application.

Our reasons for making this amendment are as follows *(Please tick the appropriate boxes)*:

☐ in response to formalities examination -adverse report dated

☐ in response to a written opinion.

Date of the Registry's letter enclosing the written opinion

☒ other reasons:

- To correspond with the amendment allowed by the US Patent Office, in respect of amendments made to the description of the invention (pages 9, 12-24, 27-30, 32 and 34 of the original document) and an amended set of 20 claims; and

- Clients' instructions to file an additional set of 10 claims, making a total of 30).

Signature(s).....

(see note 3)

Date.: 28 June 2000

Name of Agent (if any).

SHOOK LIN & BOK

Address for service in Singapore to

which all communications should be sent

1 Robinson Road, #18-00, AIA Tower

Singapore 048542



200003638-C
PD/1

4

THE UNITED STATES OF AMERICA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

January 28, 1999

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THIS IS TO CERTIFY THAT ANNEXED HERETO ~~IS A TRUE COPY~~ FROM THE
RECORDS OF THE UNITED STATES PATENT AND TRADEMARK OFFICE OF
THOSE PAPERS OF THE BELOW IDENTIFIED PATENT APPLICATION THAT
MET THE REQUIREMENTS TO BE GRANTED A FILING DATE UNDER
35 USC 111.

APPLICATION NUMBER: 08/999,297
FILING DATE: December 29, 1997
PCT APPLICATION NUMBER: PCT/US98/26220

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By Authority of the
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H. L. Jackson
H. L. JACKSON
Certifying Officer

UNIVERSAL SHOPPING CENTER FOR INTERNATIONAL OPERATION

Technical Field

5 The present invention is related to electronic merchandise catalogue and ordering systems for use on the internet/intranet. In particular, the present invention is directed to the facilitation of international purchasing of goods over the internet/intranet, addressing all aspects of such transactions.

Background Art

10

Consumers have already discovered the advantages of shopping from their homes by the use of catalogues, television shopping channels or by computer transaction systems. There are numerous public internet web sites and private intranet sites that offer various articles and services for sale. Most of these public web sites and private sites operate in national configurations where the buyer and seller are

15

There are a number of transaction systems using electronic communications, including the internet, as conduits for carrying out an exchange of goods and funds. The conventional technology includes a number of examples containing

some relevant elements for international transactions for goods to be sold across national boundaries.

U.S. Patent No. 5,319,542 to King, Jr. et al., teaches a system for ordering items using an electronic catalog stored on a publicly accessible database. The patent includes a description of a related scheme of online catalogs provided by the Prodigy Corp., as set out in col. 1, beginning with line 26. The use of the Prodigy system suggests the use of the internet for providing both catalog information and as a conduit for entering electronic purchase orders to be sent to the vendors. A key aspect of the catalog system is that both public and private catalogs can be maintained. Both can be updated electronically, presumably through the internet since other methods are not described. The catalog system includes provisions for pre-negotiated prices and predetermined shopping lists for specific customers. A key marketing aspect of this system is the provision of competing product information since catalog data from multiple vendors is provided for the public electronic catalog. The authorization aspects of the requisition process appear to be limited to that carried out within a customer's own organization rather than through a third party bank or clearing house.

U.S. Patent No. 5,420,405 to Chasek discloses a system of creating electronic or virtual money for personal transactions. The virtual money can integrate the functions of cash, checks and credit cards while the system provides constant surveillance against fraud. This virtual money is conceived as an international medium of exchange, and includes provisions for automated sales tax collections and payments. As a result, the purchase price is incremented by multipliers for city, state and federal tax within national borders. The system uses an on-person terminal permitting automated transactions of all sorts as well as record-keeping of personal accounts. This terminal system includes a known universal toll-paying system using point-of-sale debiting via radio signals. The Chasek system uses an electronic banking sub-system that can transfer funds between two individuals. The operation of the system includes the use of medium-exchange packets of bytes that identify the personal account custodian, the payer, the amount of transaction, the type of transaction, the vendor, a security number and a national code. Such a transfer uses a personal account custodian to transfer between the customer (who has transferred funds into a predetermined account) to another individual such as a vendor who then obtains access to those funds via the personal account custodian. Communications between personal account custodians and vendor account custodians are carried out using radio waves via a

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satellite transponder, insuring that a personal account custodian in one country can reach a vendor account custodian in another country.

U.S. Patent No. 5,594,225 to Botvin discloses a method for conducting financial transactions via digital facsimile wherein the transaction is cleared after the draft documents faxed by the payer to the payer's bank are presented and processed via machine-readable equipment.

U.S. Patent No. 5,666,493 to Wojcik et al. discloses a system for managing customer orders including an electronic catalog to streamline the buying functions. The system has an order management function, integrated with financial services to process orders and create financial records. The system also includes a logistics function for consolidating orders for optimum delivery over existing transportation systems. An inventory management system is also included and arranged to cooperate with the order management function. This functionality is achieved by accessing each subsystem data base on a real-time basis by horizontal integration of each subsystem to create an efficient data flow between the various subsystems. The selection of the details of transporting the goods is one of the subsystems that is accessed on a real time basis. Thus, customers entering orders

can be provided with the shipping costs as well as other shipping details as the order is input. Likewise, credit authorization can be carried out on a real time basis as an order is entered.

5 U.S. Patent No. 4,926,368 to Morita et al. discloses an electronic currency conversion apparatus. Likewise, U.S. Patent No. 4,766,293 to Bosten discloses a transaction card capable of authorizing a transaction using various currencies. U.S. Patent No. 5,644,721 to Chung et al. discloses a computer reservation system using a "global currency" to carry out consolidation of travel reservations
10 throughout the world. U.S. Patent No. 5,644,115 to Fraser discloses a system for automatically matching sellers and buyers using, among other techniques, the internet. U.S. Patent No. 5,351,189 to Doi et al. and U.S. Patent No. 4,383,306 to Morimoto et al. both disclose electronic language translators.

15 If there are international sales, realistic currency conversions become a factor, as do issues of customs, import/export duties and shipping. These are not taken into account in conventional transaction system. Also, in conventional internet or intranet transaction systems the translations of all foreign catalogues, including the full terms of sale and shipping costs, are not always provided. As a result the
20 buyer of goods from a foreign country often faces large, unexpected charges upon

delivery of the goods. Such systems are clearly not suitable for a global market place or the requirements of doing business internationally.

Summary of the Invention

5 Therefore, it is one object of the present invention to consolidate all the disparate components of an international sale into one program whereby a buyer can go shopping by computer almost anywhere in the world.

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10 It is another object of the present invention to provide a transaction system whereby a buyer can go shopping by computer almost anywhere in the world using the buyer's own language.

15 It is a further object of the present invention to provide a transaction system whereby a buyer can go shopping by computer almost anywhere in the world and see a display of goods priced in the buyers own currency.

20 It is yet another object of the present invention to provide a transaction system whereby a buyer can go shopping by computer almost anywhere in the world and be provided with full shipping charges for the delivery of selected goods so that the shipping costs are paid as part of the overall price of the goods selected.

It is still an additional object of the present invention to provide a transaction program whereby a buyer can go shopping by computer almost anywhere in the world so that goods selected for purchase are priced to include any import duties or other such taxes accruing to the purchaser thereby allowing the purchaser to pay these funds as part of the cost of the goods selected at the time of the purchase.

It is yet a further object of the present invention to provide a transaction system whereby a purchaser can go shopping by computer almost anywhere in the world and purchase goods using an approved credit cards conventional system, or other electronic currencies.

It is still another object of the present invention to provide a transaction system whereby a buyer can go shopping by computer almost anywhere in the world so that the buyer is able to compare products from different countries on a global scale.

Yet another object of the present invention is to provide a transaction system whereby a buyer can go shopping by computer almost anywhere in the world to

facilitate direct consumer sales or business to business sales.

Yet an additional object of the present invention is to provide a forum whereby manufacturers can expand into new export markets by way of a transaction system
5 that allows a buyer to shop by computer virtually anywhere in the world, thereby lowering distribution costs to the manufacturers and as a result, consumer costs.

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10 These and other objects of the present invention are achieved by a system for carrying out an international transaction over EMF conventional links carried out over the internet using computer to computer communications. The process is initiated by accessing an internet web site or private site controlled by the international transaction program. The customer accessing the web site then selects a language in which to view catalogue information. The customer also selects the currency in which to pay for the products to be bought. After selecting
15 products for consideration the customer can trigger calculation of all charges involved in an international transaction for purchasing the selected product by selecting of a shipping destination. If the customer chooses, he can initiate the order for the selected product including automatic credit authorization, and the generation of an electronic title.

Brief Description of the Drawings

Fig. 1 is a flow chart depicting the operation of the transaction system of the present invention.

Detailed Description of the Preferred Embodiments

The design of the international shopping and transaction system of the present invention creates a seamless order entry system for shopping on the World Wide Web or private networks. A plurality of computer databases and systems are accessed to complete the functions necessary for both national and international transactions for the purchase of goods and services. All of the interactions between the various external databases and the transaction program are controlled by transaction program. The transaction system contains or interacts with various databases, including :

- 1) product and catalogue information, including translations to different languages of product catalogues;
- 2) currency information, including conversion data and alarm data indicating instability;
- 3) product codes from harmonized tariff tables, including tax and import information, including administrative requirements and data for satisfying

such requirement as well as foreign duty information, including methods of calculating all duties, luxury taxes, etc.;

4) vendor inventory and order entry database;

5) shipping information, including all options for each leg of a journey between product origination and customer destination.

6) credit authorization and/or funds transfer confirmation database and processing system; and,

7) customer information, including credit and financial data, as well as purchasing records and profiles.

These databases interact in the manner shown in the flowchart of Fig. 1 and as described below to provide all of the necessary information to complete a transaction. Communications between the transaction program, the customer and the various databases can be carried out using any of electromagnetic force (EMF) wave communications link such as radio waves, light pulses, telephone lines, etc.

The system integrates all of the aforementioned databases, (depicted as databases 1-7 in Fig. 1), including databases owned by the system operator controlling the transaction system of the present invention, as well as external databases (such as credit authorization database 6).

The initial entry into the system provides an opportunity to determine the speaking language of the customer. The selection of language operates a default to select the most likely currency of the customer unless the customer indicates otherwise.

The system is set up so any or all countries of customers can be linked to any language and prices converted to any currency. However, in practical terms some products will not be available in all countries nor appropriate for all countries.

Once the language has been determined and the currency has been selected, the customer is then able to review product listings that have prices that reflect the currency and taxes of the country in which the customer resides.

The precise operation of the inventive international transaction system is depicted in the flow diagram of Fig. 1, which is suitable for national as well as international transactions. At step 101, a user accesses the internet web site upon which the customer portion of the transaction is carried out. A menu is provided to the user or customer permitting selection from among a plurality of different catalogues in a manner already well known in the conventional art. However, the present transaction system differs from conventional systems in that the user is able to select a preferred language at step 102.

A plurality of catalogues, each translated into a plurality of different languages are

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available on the system. A particular catalogue or set of catalogues, in a preferred language, are accessed and processing center (step 104) from the first database and downloaded for access by the user. Preferably, the language translation databases containing the translations of all of the catalogue material are held in separate databases on computers separate from those handling the interface with the customers. This arrangement will save time and memory space for the computers actually handling the transaction. The first database can be managed by the system operator of the inventive transaction system or can be external to the transaction system. In the latter case, the system operator can access such data over the internet, intranet or any other electromagnetic force (EMF) wave communications link.

Preferably, the user is provided with a plurality of different catalogues from among which to select on a real time basis. It is expected that many of the catalogues will be from sources outside of the United States, as well as the English-speaking world. Consequently, there must be pre-translated versions of catalogues in non-English languages, thereby allowing real time access of each of the catalogues in a plurality of different languages.

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This is handled by the first data base and processing center (depicted as 1st
database in Fig. 1) which serves as a catalogue builder. At step 105 a desired
catalogue (and its country of origin) is selected and the country of the customer is
input to select a default currency, which is used as a trigger to guide the operation
5 or portions of the transaction process once a product or products are selected from
the electronic catalogues. The downloading of the country of origin of the
selected catalogue also triggers an automatic access of the translation database (2nd
database and processing center in Fig. 1) to provide the specific currency
conversion between that of the original catalogue country and that of the customer
10 as selected by the automatic defaults. However, the customer has additional
currency conversion options as described with respect to the 112 supra.

Since a plurality of catalogues are contemplated, a "power search" for a specific
product (or service) from among all of the catalogues is available to the customer
15 in order to decrease the search time for the desired products. If an optional
"power search" is requested at step 107, automatic access of the language
translation database occurs to search the selected language versions of each of the
catalogues contained therein. Once this has been done, a list of catalogues is
provided to the customer in menu form so that the customer may view any or all
20 of the catalogues.

At step 108 the customer selects and views a particular catalogue and product within that catalogue for consideration. The product is presented in menu form so that the variations and permutations, and other characteristics of the product can be studied. This is done in menu form in a manner well known in the conventional art directed to electronic catalogues. In the alternative, a catalogue from a particular vendor can be selected instead of going through the "power search" of the entire catalogue inventory. Further, the "power search" engine can be activated once more to find a particular product in the selected catalogue. In the alternative, a printed index (such as those used in hard copy catalogues) can be provided.

Making a selection from the catalogue produces linked web pages for any of the products listed. The power search function from the product page allows the customer to search for key words for one or all of the catalogues listed. In each catalogue a manufacturer's index allows to look at products from a single manufacturer. The customer can also go backward or forwards through the program at any time. A picture (or several pictures) of the product are normally accompanied by a description of the product, name of the manufacturer, shipping weight, cost (in the customer's currency), and other information about ordering options (available sizes, colors, styles, etc.) and the means to select multiple units

of the product (with the desired options).

When a particular product is selected in the customer's currency, a price in the customer's currency is automatically requested. Normally currency is chosen by default (step 105). However, the customer has the option of selecting a particular

currency (step 112) in which he wants the catalogue price of the selected products. The currency conversion is carried out at the second database and processing center. This second database provides a "real time" conversion from the currency of the country in which the catalogue originates to that selected by the customer.

The price is provided to the customer with a clear indication that this is the price for delivery at the vendors factory or at one of the vendor's distributors, not the customer's location.

However, there are difficulties with "real time" currency conversion. For example, because the currency trading is carried out electronically, there may be an almost constant change in the conversion rate. Consequently, it is necessary to freeze the conversion rate for purposes of carrying out a selected transaction at a particular point in time. This can be done automatically (step 116) at the time that the customer initially asks for the converted catalogue price by selecting a particular product. In order to compensate for any disparity between the quoted

exchange rate and the real exchange rate when the transaction between the customer and vendor takes place (either independently or through the auspices of the present transaction system), the transaction system adds a small percentage to the conversion rate (step 117). This percentage can also accommodate any charges to the vendor or customer for using the transaction system and taking advantages of the conveniences inherent thereto.

At step 118, an automatic alarm is activated when one or both of the currencies in the selected conversion process are exhibiting wide fluctuations in value. Such fluctuations can be determined by the system operator so that when in the operator's opinion, currencies become unstable, transactions in one or both of the subject currencies can be suspended by the system. Such suspension can be automatic or manual, depending upon the preferences of the system operator. When the decision is made, a message is sent to the customer instead of a price, indicating that because of instability in the currency market, transactions in a particular currency have been suspended. At which time, the customer can be offered the option of an alternative currency, if such an alternative is feasible. For another option, the customer can be offered a higher price to compensate for wide swings in currency conversion values. Any or all of these opinions are presented to the customer, along with any other desired catalogue information, at step 119.

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Should the currency conversion be stable, the price is displayed to the customer almost instantaneously after either step 105 or optional step 112. Also displayed with the price is a message indicating that the price displayed is limited to the vendor's factory, or one of his outlets, however the vendor may choose. The message will also indicate that the customer must request additional information to obtain the price for the product to be delivered to a destination of the customers choosing. It is crucial that the message clearly indicate to the customer that there is far more expense involved to obtaining the goods than merely the original price at the factory or the distributor of the vendor. This is especially true if the vendor and customer are in different countries, such as the United States and the Netherlands (see Appendix I).

Thus, the customer is given the option of determining the real price of the transaction. If the customer makes this request (step 120), the next stage of the inventive process is carried out. Responsive to an affirmative answer by the customer, a commodity code for the selected product is obtained (step 122) by accessing the third database and processing center, containing look-up tables of the harmonized international tariff tables and classification system, as well as the formats for any necessary import/export data, and administrative requirements for all countries involved in possible transactions. If the vendor's country of origin or

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the destination country have commodity codes different from those of the
harmonized tables, a search is conducted in other databases by the third database
and processing center to determine the correct commodity code. This will be used
to look up other data related to the product and the country of destination, as well
5 as generate appropriate documents from the third database. The commodity code
can be displayed to the customer for his or her information. However, this is not
necessary. Rather, the commodity code in conjunction with the country of
destination is used to trigger certain subsequent operations of the inventive
transaction process as depicted in Fig 1.

15 The "real price" or the price to deliver selected products to a specified point
(presumably one convenient to the customer) entails the cost of all freight for each
leg of the journey, insurance (if desirable), sales taxes, handling charges,
document generation and forwarding charges, import/export duties, and "value
added" taxes as well as luxury taxes (if applicable). The first step in calculating
the cost of freight is to find out the total number of items to be shipped. This is
input by the customer at step 124 at the point a determination is made between
retail and wholesale transactions based on product type and amount, and customer
identity. This determination can trigger the selection of shipping conditions at
20 step 128 supra. This operation will trigger an operation (step 125) of checking

with the vendor that the indicated number of the selected products is available.

This is done by accessing a fourth database and processing center (preferably generated and maintained by the selected vendor), automatically contacting the

vendor and requesting confirmation of the inventory. Should the requested

5 number of products be unavailable, a message can be sent back to the transaction

program to be displayed to the customer. Also, any additional information

regarding product availability, such as expected delivery dates etc., can be

provided at this time.

10 At step 126, the customer inputs the destination for purposes of calculating the

cost of delivering the selected product or products to that destination. This

information, in conjunction with the commodity code triggers the particular

calculations for packaging, shipping, taxes, duties, insurance etc. of the rest of the

transaction process. This is necessary to select the correct freight routes and

15 charge. If, for example, the destination point is within the vendor's country of

origin (a determination made at step 126), the calculation of transport charges and

duties is much simplified. Calculation of standard freight charges is provided,

along with the optional insurance and any other charges, to the customer at step

127. This information can be displayed on the screen as soon as the customer

20 indicates the destination point due to the simplicity of the calculations.

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The options that can be displayed at step 127 allow the customer to choose the various transport and insurance options that are available (depending on retail/wholesale status). Also, the vendor may offer a standard transportation package to customers that may be less expensive (because of vendor volume and leverage with carriers) than the options that would be available to individual customers. Where appropriate, customer selection of the options can be made at step 128 (if permitted by the vendor in a national transaction). A simplified operation of the inventive process would occur if a national transaction and no customer transport options were involved. As a result only sales tax would be added to the freight charges. Once the decisions at step 128 are made, the sales tax can be computed automatically and displayed to the customer at step 129. For most domestic transactions within the United States, the process would end at this point unless the customer chose to enter the order and begin that part of the process dealing with credit confirmation and the transfer of electronic title and the shipping of the selected goods.

For international transactions (to which the present invention is specifically directed) and situations in which a customer can select some freight options, the calculation of freight charges is for more complex. First, (at step 130), revenue units are calculated for the products to be shipped in four different ways,

including: metric units for air transport; metric units for sea transport; standard English units for air transports; and, standard English units for sea transport. The precise calculations of each type of revenue unit are found in Appendix II. These calculations are standard in the shipping industry, and based upon information derived from the third data base, including packing requirements based upon the characteristics of the selected product or products. The type of revenue unit selected by a vendor, customer or the instant transaction program depends upon a variety of factors, including : the country of origin of the vendor; the country of origin of the shipper; the type of product involved (commodity code); and, (most important) the least expensive method of transporting the goods at issue.

At step 132 a determination of the discrete legs or links of the overall transport route are determined based upon shipping data contained in the fifth data base and processing center. This is also done based upon a standard shipping route dictated by the vendor, the route requested by the customer, or some combination of the two. The transport route is further based on type of product indicated or the commodity code provided by the third data base, which also provides the shipping and administrative requirements of a specific product. In many cases, the various discrete legs of the route are dictated by the nature of the product being shipped.

For example, an automobile being shipped from Germany to the United States will

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be transported by sea, and embarked on ship at the port in Germany most
convenient to the automobile manufacturer. The manufacturer will most likely
dictate that the sea transport take place from the German port of his choice to New
York city. At which point, the customer has options of how the car will be taken
5 from the warf, through U. S. Customs, and to the final destination. Thus, between
the vendor and the customer each discrete leg of the transport route is determined
(step 132), as well as the costs accompanying each of those discrete legs of the
journey (step 134).

10 An example of such expenses are found in Appendix I which depicts the costs for
each discrete leg of the journey, and how such costs are added to the factory price
of the goods of issue. Each discrete leg of route includes costs such as insurance,
taxes, licensing fees, handling fees, and documentation fees. Thus, based upon the
origin of the goods and the destination, as well as the revenue units for the
15 package of the goods and the classification of the goods themselves, the cost of
each discrete link is calculated in a manner similar to the example found in
Appendix I. The calculations take place in a number of sub-steps as indicated in
Appendix I.

20 Of course, the sub-steps are determined by the origin and destination. At step 134,

all costs such as freight, handling, basic taxes (such as sales tax) and documentation fees, insurance, import/export charges, etc. are calculated to provide a total cost to obtain the selected product or products at the selected destination. In many places import/export fees are based not upon a factory price of the goods but upon a first preliminary sum, including all necessary expenses to move the product or goods to the point at which the duties are assessed. These duties are added to create a second preliminary sum because under some conditions, additional taxes such as luxury taxes, value added taxes, etc. are based upon the second preliminary sum which includes transport expenses, some sales taxes and some import/export duties. So the final sum displayed at step 136 includes all of the taxes under all of the circumstances is based upon applying coefficients (based upon tax rates) to the previous two sums. The example of Appendix I indicates the values that are involved, and how some of the taxes in the destination country are calculated based upon previously calculated product cost, freight costs, insurance, taxes, etc.

The results of this calculation are converted (at step 136) to the currency requested by the customer in the same manner as described with respect to steps 112, 116, 117 and 118. Thus, a potential customer has the full cost of a foreign transaction displayed in front of him before the transaction is actually carried out. This is in

contrast to other electronic or internet transaction systems, which do not address international transactions or any but the simplest tax and shipping charges.

At this point the customer has the option of investigating the prices of other products or of entering the order for the products selected. To order the products (step 140) the customer activates the appropriate area on the menu screen. This activation triggers two processes. In the first process an order is sent directly to the vendor electronically (step 142) requesting shipment to the customer's destination. While this is the preferred method, the order can be buffered electronically by recording devices, or handled by human operators, or any combination of the three to access the order entry operation of the fourth data base and processing center, preferably maintained by the vendor. The vendor can then process the order for the selected products deduct from inventory and arrange for shipping to the requested destination.

In order for the vendor to ship the selected products, it will be necessary that to access a source of funds from the customer. Consequently, it is necessary that the electronic order also initiate a second process, confirmation of customer credit (step 150). This can be done by accessing a sixth data base and processing center, preferably a credit or funds transfer system. Preferably, this operation will be

carried out using a credit card processing center to receive and encode the credit card number using a commercial security system such as PGP (Pretty Good Protection) to confirm the validity of the credit card. The same processing center can then send a confirmation for the respective customer order to the vendor (step 160) by accessing the vendor order entry system (fourth database). Transmission of credit data between customer, vendor and standard credit card system carried out by the instant transaction system.

However, standard credit card authorization is not necessary for the inventive system to function. A conventional authorization can be carried out using two commercial banks, one representing the vendor and the other the customer. This is the manner in which funds are usually transferred between two countries having different currencies. However, such transfers are often awkward and time consuming requiring exchange of papers and the approval of bank officers. Thus, the conventional exchange of funds between foreign banks could greatly hinder the operation of the inventive system even if carried out electronically by the present transaction system. Consequently, the use of international credit cards, such as American Express, is generally favored to expedite the operation of the present invention. However, even international credit cards can sometimes hinder the operation of the present invention due to limitations on the banks issuing the

credit cards.

Consequently, another preferred method of authorizing credit includes the establishment of a system of clearing houses operating parallel to that of commercial banks and credit card organizations. Each vendor participating with the transaction system provider operating the present invention would make arrangements to accept credit verifications from local clearing houses established by the system operator in each country where the vendors are located. The clearing houses in different countries would be in direct electronic communication with each other over the internet, satellite links, intranet, dedicated data lines or any EMF communications links, providing data transfer secured by commercial encrypting packages, such as PGP or SET. The clearing houses in each country could accept local credit cards in the same manner as any local vendor. Thus, a customer's local credit card could provide access to funds to a local clearing house like any vendor obtaining funds via credit card, which could transfer credit for the customer to a clearing house overseas without the necessity of passing through the complicated international banking procedures. A foreign vendor whose products are about to be purchased by the customer could be paid through a electronic clearing house that has received clearance from the clearing house in the customer's country. The clearing house in the vendor's country would act like a

local credit card company, transferring funds to the vendor on behalf of the customer. Preferably, the entire transaction would take place electronically in the same manner that most credit card transactions are handled conventionally. Thus, funds available to a customer from local bank credit in the Netherlands could be translated into funds available to American factory which will send the car to a Virginia port for export (see Appendix I).

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10 Once electronic funds (or other authorization) are transferred to the vendor (step 161) from a local clearing house, the vendor will utilize a connection to the transaction system of the present invention to generate an electronic title (step 165) also referred to as a commercial invoice. Paper copies of the title or commercial invoice can also be generated from the electronic original for archival purposes or for presentation to entities requiring hard copies to further process the title or commercial invoice. Generation of the electronic title (at step 165) is done to create a faster transfer of title through all the official channels that must approve of the title and from there to the customer. The electronic title can be generated by the vendor or the instant transaction system upon authorization by the vendor. Conventionally the hard copy of the commercial invoice accompanies the goods and must be hand-carried to all of the official entities (such as national the customs services) that must process the papers, check the goods and authorize

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movement in and out of a particular country. Also, the conventional handling of the commercial invoices results in extra fees to the customer, but cannot be avoided since it must take place at every discrete leg of the shipping route. Further, the loss of these papers can be catastrophic in terms of receiving the goods in a timely fashion.

Upon generating the electronic commercial invoice (step 165 based upon vendor authorization or provided by the vendor), the vendor must carry out two types of activities. The first is administrative, and includes satisfying the requirements of the various governmental and regulatory entities controlling commerce and manufacturer at the location of the vendor (step 180). The second is to arrange transportation to the point requested by the customer (step 170). Under the simplest condition, this means paying the sales tax and a carrier to ship the goods at least part of the way to the customer's requested destination.

However, when international transactions are involved, such as that depicted in Appendix I, a great deal more administrative work is necessary. Further, there are also added complications and expenses in the actual packing, handling and shipping processes. In such a situation, the vendor must arrange and pay for transport from the factory to a shipping port (step 170), as well as all handling

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charges, warf fees, packing fees and the insurance that is always necessary when sending valuable goods by ship. A similar process takes place when goods are sent by air although there are fewer complications in terms of moving the goods from a terminal (usually where the national customs and export authorities must approve the goods) onto a plane. Of course, to move anything onto an international carrier such as a ship or a plane, the commercial invoice, packing list and any governmental release papers are needed, indicating that goods have been cleared for export. In the alternative the present transaction system can make the shopping arrangements on behalf of the vendor.

Along with the physical packing, handling and shipping of the goods, it is necessary to carry out the administrative functions. The present inventive system handles these (step 185) by sending electronic requests to the necessary governmental agencies based upon the commodity code from the harmonized and the country of destination. This combination will trigger a series of operations (out of a large number of possible operations) to satisfy the administrative requirements for carrying out the transaction, including the generation of all necessary documents based on data from the third database.

For example, the combination of destination and commodity code may

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automatically trigger a request to the Department of Commerce (DOC) for an export license. This can be done electronically since the DOC, like most government entities, is capable of receiving communications via e-mail and responding thereto. The electronic title can be sent as part of the request for the export license, and the response from the state department returned electronically. The electronic documentation from the DOC can then be used to make a request to the State Department to obtain clearance to export the subject goods, if the commodity code and destination country justify that such a request be made. The electronic indication of an export license from the Department of Commerce and the electronic clearance document from the State Department can be sent electronically to the U.S. Customs service along with the electronic title to obtain prompt clearance that will allow the goods to be transferred quickly from the local carrier to an international carrier such as a plane or ship.

As step 170, the vendor has the option of paying the local taxes, local transport costs, insurance, packaging, etc. himself, or contracting to have some of this done though the inventive transaction system. For example, the transaction system provider can arrange to pay local taxes, arrange for local transport and insurance. However, because most vendors currently have systems in place to efficiently handle such tasks, it is unlikely that the duties will fall to the operator of the

transaction system.

On the other hand, the payment of export duties, export license fees and handling through customs are tasks far more suited to the present transactions system since it is normal to have the customer pay for these requirements, and the system operator has direct access to funds provided on behalf of the customer, either through a credit card company or the system operators own electronic clearing houses. The electronic documents can easily be converted into hard copies if signatures are necessary and the signature converted back to electronic documents.

With the increasing acceptance of government entities in general to accept electronic signatures (such as that provided by a facsimile machine), it is feasible that electronic signatures can be attached to the modified electric documents by a number of ways already well-known in the conventional technology. Approvals from various government entities and the customs service can be added to the document electronically either by machine or by scanning in the written signature and stamps of an authorizing official.

When dealing with international carriers such as ships or airplanes, goods to be transported are normally moved with the commercial invoice attached thereto.

The goods are placed into the keeping of an official of the international carrier

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(step 176), such as a ship's captain, and the captain also takes possession of the commercial invoice (step 186). Normally, a bill of lading and export packing list are attached to the goods and a copy kept with the commercial invoice. In conventional transactions, when reaching the destination port, the international carrier official (such as the ship's captain) will turn over the commercial invoices to a commercial entity which specializes in moving the papers from the carrier to the customs department of the destination country. This also adds expense to international transactions. However, with the present transaction system, the electronic titles and export packing list for the goods can be transferred directly from the international carrier official by system operator to the national customs departments of the destination country at the port receiving the goods at issue (step 187). Normally this is done by carriers such as FedEx, UPS, etc., and is often done in conjunction with moving the goods off the warf/ramp/tarmac to the national customs area (step 177). Rather than providing a hard copy of a commercial invoice, an electronic copy with the authorization of the international carrier can be provided either as an electronic document or a hard copy can be generated and provided with the signature of an official of the international carrier. Preferably, the electronic documentation will be presented to the customs officials along with payment of the precalculated taxes, import duties, value added taxes, luxury taxes, etc (step 188). Transfer of funds can be made electronically to

the national customs service or other governmental services if this is permitted. Otherwise, the transaction system of the present invention can arrange for the funds to be provided to the international carrier or some other agent for presentation to the customs officials when the commercial title, bill of lading, etc. are presented so that the goods can clear national customs.

Once the goods have been moved out of the customs area, a local carrier can take possession (step 178) and begin delivery to the requested customer destination (step 179). The present system is capable of arranging payments with local carriers so that the customer does not have to go through this process. It is expected that this arrangement will be more convenient since the translation system operator will probably have better arrangements with local carriers that can be obtained by individual customers. The system operator will also have direct access to customer funds to ensure that payment to the local freight carriers is made.

Once the commercial invoice clears the customs service, the document can be sent electronically via the internet, intranet, facsimile, PTP, or any other convenient means, directly to the customer (step 189). The electronic title, modified in accordance with the customs regulations of the two respective countries and the

international carrier, will provide a complete memorialization of transfer of the goods from the factory to the final destination point. Based upon the dates added to the electronic title, the customer will know exactly where his goods were during the time taken to traverse the route from the factory to the final destination. Thus, the customer will have a complete record for monitoring costs and determining the point at which possible damage occurred.

Once an order is entered (step 140) the customer information is loaded into the customer database and inventory information updated. The customer information can be used to create customer profiles to be stored in the 7th database and processing center. Such information can later be used to guide customers to catalogues or products related to previous purchases, as well as previously selected languages and currencies.

The present invention provides a comprehensive point-to-point cost analysis for any international transaction, as well as transactions conducted within a single country. All costs are disclosed to the customer before the order is actually entered. The transaction system also provides automatic fund transfers via credit card systems or virtual currency in clearing houses to carry out the transaction, paying any necessary governmental agencies electronically. By conducting

electronic transactions, the necessity of forwarding paperwork in international transactions is often eliminated, and the overall costs reduced. Further, by providing an electronic title as the commercial invoice, the documentation flow is facilitated, costs reduced and the customer receives proof of purchase in a more timely fashion. As a result, international transactions can be carried out without unexpected charges being assessed against the customer upon delivery of the goods.

Although a number of embodiments of the present invention have been disclosed by way of example, the present invention is not to be limited thereby. Rather, the present invention should be interpreted as including all variations, permutations, adaptations, configurations that would occur to one skilled in this art who has been taught the present invention as construed only by the following claims.

In the Claims

We claim :

1. A process for carrying out an international transaction over EMF
communication links using computer to computer communications comprising the
5 steps of :

(a) selecting a language in which to view catalogue information on
products;

(b) selecting a currency in which to obtain a price of the products;

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10 (c) selecting products to be purchased and a destination for said selected
products to be purchased thereby triggering a calculation of all costs involved in
moving said selected products to said destination based upon said destination and
said selected products; and,

(d) ordering said selected products thereby triggering an electronic funds
transfer authorization and generation of electronic title for said selected products.

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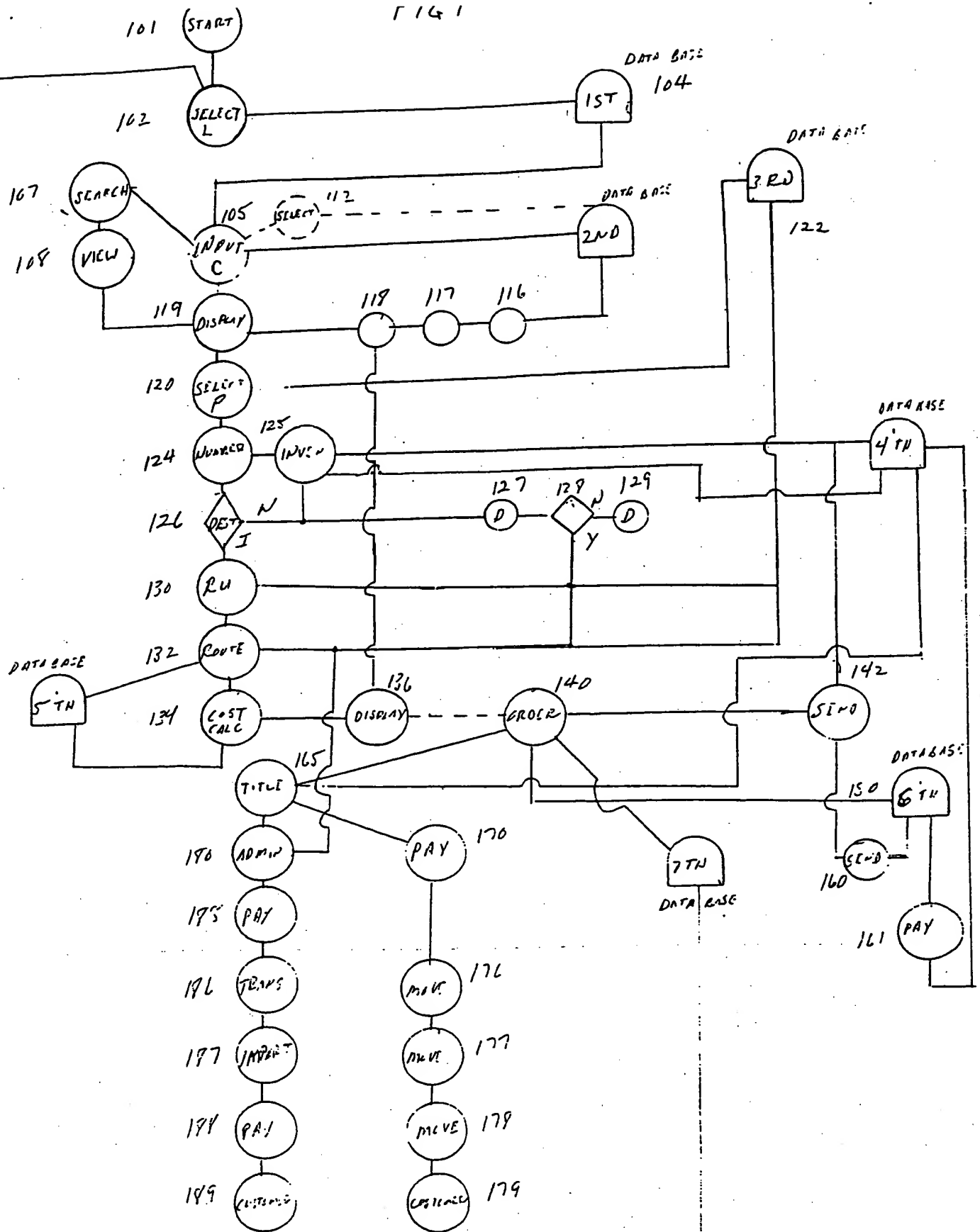
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Abstract

An international transaction system for operation over the internet/intranet provides a pre-transactional calculation of all charges involved in any international transaction. Upon the option of the customer, the goods can be viewed on catalogue sheets translated to a language of the customer's choice, and the price provided in a currency selected by the customer. The customer also has the option of initiating the order with automatic credit authorization, generation of an electronic title or commercial invoice and arrangements and payment of shipping charges and any taxes and import/export duties.

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Appendix I

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The following flow chart and descriptive text have been designed to demonstrate the complexity, fundamental differences and unique characteristics of the INTEGRATED EXPORT TRANSACTION (IET) and INTEGRATED IMPORT TRANSACTION (IIT). The IET and IIT are defined for our narrative purposes as the exchange of a monetary or agreed upon medium for the legal transfer of a clear title to goods and or services in conformity with the terms and conditions between a buyer and seller whose permanent location of operations or residency are in different countries. Since the IET and IIT are completely interchangeable and only differ in country specific variables the Borderless Order Entry System (BOES) can complete the international transaction irrespective of country of export record. In this narrative we will additionally require that the seller be known as the exporter of record in his/her country but not necessarily the original producer or OEM manufacturer of the goods or services for which this international transaction is being concluded.

The demonstration flow chart will show many of the variables which will ultimately determine the final transaction price but in no way should this chart be construed to mean the only or all encompassing variables. Since each product or service is of itself unique and since the buyer and sellers geographic locations can change, the variables are never fixed. Therefore until a pattern of purchases of like goods or services is defined between the two parties or geographic regions each transaction is unique in and unto itself.

Finally, we are also assuming that the reader has skill and understanding in the art of exporting/importing, shipping logistics and payment mechanisms available in the international marketplace to successfully complete the agreed upon obligations of the buyer and seller. Our discussion will involve the conventional or presently available methods of transaction fulfillment but will not be limited by them. As components change and improve via technological advances a person skilled in the art will be able to integrate these new systems into a much more efficient and effective method of transaction conclusion. Some examples of changes are systems that will allow the electronic transfer of required documentation, electronic currency that is acceptable to the banking communities world wide to satisfy obligations thereby eliminating complex documentary credits, electronic tracking systems for logistics, digitalization of Harmonized Tariff Schedules and or any other form of advancement yet unforeseen to simplify and stream line this complex multivariable transaction.

The example will also demonstrate one of the prime differences between a domestic transaction concluded in the United States of America and the IET or IIT. This fundamental difference is that a domestic transaction is a price driven transaction while the IET and IIT are commodity "type" driven transactions. American governmental taxation schedules are based upon FOB point prices. In virtually all domestic transactions freight and insurance are not considered taxable components of the goods or services, this is not the case however in the IET or IIT transactions. The rates for carriage, insurance, handling, import duties, Value Added Taxes (VAT) and luxury taxes are based upon the commodity description itself via Harmonized Tariff Schedules or import country specific schedules which allow for taxes and fees to be assessed against total cost figures and are varied by the commodity definition. The compounding effect of these procedures means that taxes will be assessed upon taxes as well as any intermediary fees and costs including freight, handling, insurance or export country specific fees and taxes. International carriage fees are also based upon the commodity and then formulated to the weight or dimensional characteristics of the shipment, which ever will produce the greatest revenue for carriage operator. For the preceding reason this factor is called the revenue ton and is computed on cargo cubic footage versus shipper ton across the Atlantic and cubic meters versus the metric ton across the Pacific. The revenue computation is different for air shipments and is based on the "dimensional factor" and is calculated by $L \times W \times H / 166$ versus the weight in pounds which ever produces the greatest revenue for the carrier.

Our example will be a new automobile purchased from a local dealer by an export company for resale to a buyer located in the Netherlands. The exporter will be located in Virginia and the shipment will leave through the Port of Norfolk, VA and be off loaded in Rotterdam. Payment will be effected by the Dutch buyers American Express Card. Since this sale is for export title taxation and local sales taxes will not be paid by the exporter in Virginia. The example uses abstract prices for various components and should not be considered definitive.

1.) Loading and Handling	150.00
2.) Destination Insurance	25.00
3.) Destination Freight	450.00
4.) Cost FOB Dealer Location	15,625.00
5.) Dealer Markup	3,000.00
6.) Dealer Preparation	250.00
7.) Price FOB Dealer Location	18,875.00
8.) Transport and Insurance to Exporter Location	125.00
9.) Price FOB Exporter location	19,000.00
10.) Exporter Markup	2,000.00
11.) Export Preparation	500.00
12.) Export Packaging, 20' containerized and lashed down	1,500.00
13.) Cost to prepare export documentation and export packing list and Shippers Export Declaration (SED)	75.00
14.) Freight Forwarder and documentation Fees	200.00
15.) Price Ex Works Exporters location (EXW)	23,275.00
16.) Inland freight to Port of Norfolk, VA	450.00
17.) Insurance on EXW value for transport to Norfolk, VA	75.00
18.) Price Free Carrier Port of Norfolk, VA (FCA)	23,800.00
19.) Gate Charge	25.00
20.) Port Charge	150.00
21.) Warfare	200.00
22.) Stevedoring transport along side vessel	75.00
23.) Price Free Alongside Ship, Norfolk, VA (FAS)	24,250.00
24.) Cargo Loading and Securing	100.00
25.) Extra Lengths Charges	N/A
26.) Heavy Lift Charges	N/A
27.) Price FOB Vessel	24,350.00
28.) Harbor Maintenance Fee (HMF) 0.125% SED Value	29.00
29.) Ocean carriage Charges	750.00
30.) Bunker Surcharges	50.00
31.) War Risk Surcharges	N/A
32.)	

36.) Port of Rotterdam charges	75.00
37.) Pier off loading charges	150.00
38.) Stevedoring and terminal transport	75.00
39.) Pre-import clearance warehousing	100.00
40.) Delivered Duty Unpaid Rotterdam, (DDU)	25,629.00
41.) Import duties based on Tariff Classification of Goods class 8703.21.10 (conventional) = 10.0%	2,562.00
42.) Delivered Duty Paid, VAT unpaid, Luxury tax unpaid	28,191.00
43.) Value Added Tax (VAT) 17.5% of DDU plus import duties.	4,933.00
44.) Luxury Tax , 7% DDP	1,973.00
45.) Delivered Duty Paid	35,097.00
46.) Inland Freight and Handling to buyers location	600.00
47.) Price FOB buyer's location	35,697.00
48.) System data base price in U.S. Dollars	35,697.00
49.) System price shown to buyer in Dutch Guilders + 2% hedge factor 71,756.82 x 1.02	73,191.00 guilders

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Appendix II

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PRODUCT 2

PRODUCT 3

PRODUCT 4.....

Product revenue unit data base
for Air and Ocean Shipments.

SAE dimensional

Metric dimensional unit AIR

SAE Revenue Ton OCEAN

Metric Revenue Ton OCEAN

Calculation: inches
 $L \times W \times H / 166 = X$
Weight in Pounds
X versus Y
If $X > Y$ then $X =$

Calculation: meters
Based on carriers
metric calculation
protocols.

Calculation: feet
In feet, $L \times W \times H = \text{Cubic Feet} = X$
Weight in Pounds / 2204 = Y
X versus Y
If $X > Y$ then $X = \text{revenue ton}$
If $Y > X$ then $Y = \text{revenue ton}$

Calculation: meters
Based on carriers
metric calculation
protocols.

RU FEED 1

RU FEED 2

RU FEED 3

RU FEED 4

PROD: 2

RU 1

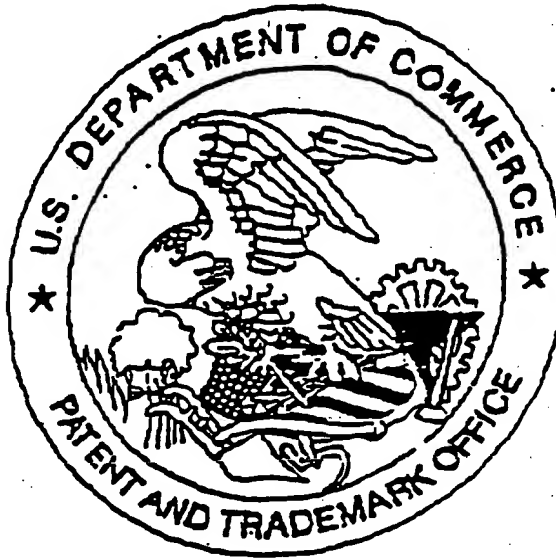
RU 2

RU 3

RU 4

Note: Products could be composed of multiple items in which case the PRODUCT RU 1, 2, 3 and 4 units would be composed of the sum of the of individual items from the appropriate RU FEED blocks.

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 - ☐ Each sheet must include a top and left margin of at least 2.5 cm (1"), a right margin of at least 1.5 cm (9/16") and a bottom margin of at least 1.0 cm (3/8").
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